

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,392

Thursday August 9 1984

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Time to find a real solution to the debt crisis, Page 15

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NEWS SUMMARY

GENERAL BUSINESS

Libya may have mined Red Sea

Egypt and some Western governments believe Libya, not Iran, is possibly responsible for the laying of explosives in the Red Sea and the Gulf of Suez.

Importance is being attached to a Libyan vessel which passed through the Suez Canal in July and its later suspicious movements.

Egypt has avoided blaming Libya, but it is felt that the mining of the waters may be an attempt to embarrass Egyptian President Hosni Mubarak and his new Government.

Iran has denied involvement in the plot but applauded it as an act against "arrogant powers" including the U.S., France and Britain. Page 3

Zanu congress call

Zimbabwe Prime Minister Mr Robert Mugabe told a congress of his ruling Zanu-PF party that he expected forthcoming elections to give him a mandate to implement fully a one-party socialist state. Page 14

Brazil alliance

Brazil's main opposition party, the Democratic Movement Party, formally joined an alliance with a rightist faction of the ruling Social Democratic Party to contest the presidential elections in January. Page 33

Basque riot

Several hundred youths rioted in Vitoria, Spain, in protest at the killing of a suspected Basque guerrilla. Page 33

Missile testing

The Soviet Union is testing its version of the American MX and cruise missiles in an attempt to match U.S. progress. Page 2

Millionaire jailed

Greek millionaire Peter Theodoropoulos, who writes a British magazine column under the name Taki, was sentenced in London to 18 weeks' jail for possession of 25.1 grammes of cocaine at Heathrow Airport. Page 2

Iranian hijack ends

All passengers and crew aboard a hijacked Iranian airliner were freed in Rome and a hijacker has surrendered. Page 2

Art exports blocked

British Arts Minister Lord Gowrie has blocked the export of three drawings, worth nearly \$4m, by Raphael, Rembrandt and Rubens, to the Getty Museum in Malibu, California. Page 2

France condemned

Leaders of 18 Commonwealth countries from Asia and the Pacific condemned France for conducting nuclear tests in the South Pacific. Page 2

Soviet concession

Soviet authorities allowed the wife of Mr Andrei Sakharov, the dissident physicist, to communicate with friends for the first time for three months. Page 2

El Salvador deaths

A total of 13 left-wing guerrillas and six Government troops have died in fighting in El Salvador as a result of anti-terror operations. Page 2

Peking invitation

Sir Geoffrey Howe, the British Foreign Secretary, in Peking last month received an invitation for the Queen Elizabeth to visit China. Page 2

Hungarian order for ITT may test high-tech curbs

BY GUY DE JONQUIERES IN LONDON AND IVO DAWNAY IN BRUSSELS

STANDARD ELEKTRIK Lorenz (SEL), of West Germany, a subsidiary of ITT of the U.S., has won a letter of intent from Hungary to supply electronic telephone exchanges worth DM 30m (\$10.3m) in a deal which may test Western controls on high-technology exports to East bloc countries.

Last month the 15-member Paris Co-ordinating Committee (Cocom) which vets trade with Communist countries, agreed under strong U.S. pressure to stop all Western sales of sophisticated telephone exchanges to the Soviet bloc, at least until 1988.

Soon after the Cocom ban, Plessey and GEC of Britain and L.M. Ericsson of Sweden reluctantly withdrew from the bidding to supply exchanges to Bulgaria because they believed that they would be unable to obtain the necessary export licences.

But ITT's European headquarters in Brussels said yesterday: "SEL and ITT intend to find a means of satisfying both the requirements of the letter of intent and the directives set down by Cocom."

ITT expected SEL to ask the West German Government to seek approval for the sale from other Cocom members. However, it may be difficult to secure such approval, since it would require unanimous backing from all Cocom members, which comprise the Nato allies and Japan.

ITT appears to hope that even if immediate authorisation was denied, it might still be able to persuade Cocom to let the sale go ahead if delivery of the exchanges were delayed until 1988.

Cocom members have agreed in principle to relax their controls after 1988 and allow individual governments to licence exports to the Soviet bloc of telecommunications equipment, at present subject to restrictions.

But if such a waiver was granted now it could arouse objections from other manufacturers who decided not to pursue the Hungarian order after the Cocom restrictions were imposed.

The agreement to relax the controls in four years is, in any case, only provisional and may be re-

British banks cut rates by 1/2 point

By Max Wilkinson in London

BRITAIN'S leading banks cut their base lending rates from 12 to 11 1/2 per cent yesterday amid strong signs that the UK authorities are impatient for a further fall.

The financial markets reacted favourably with the pound gaining some ground on the foreign exchanges and government security prices firm.

The move towards lower interest rates was clearly signalled by the Bank of England, which lowered the rates at which it supplies liquidity to the banking system by 1/2 percentage point early yesterday.

The Bank's signal, which was stronger and earlier than many people in the City of London had been expecting, was quickly decoded by the National Westminster Bank, which was the first of the four major banks to lower its base rate. Barclays, Midland and Lloyds soon followed.

The authorities showed much firmer decision in leading interest rates down than they displayed on July 11 when rates last rose. The Bank of England then reluctantly moved its dealing rates up by 2 percentage points only after clearing banks' base rates had risen to 12 per cent.

The British Government and the Bank of England have since been at pains to emphasise their belief that the rise in July was not justified by domestic monetary considerations.

The authorities felt it was prompted by an over-reaction in the money markets and the foreign exchanges to City of London fears about the money supply and the possibility of a prolonged UK dock strike.

The most recent monetary estimates issued on Tuesday showed, however, that the money supply was comfortably back within its target range in July, with the public and private sectors both having a subsiding influence.

The main uncertainty facing the authorities is whether sterling will remain firm enough for them to encourage further cuts in interest rates.

Herr Bangemann was confident that West Germany would manage growth of 2.5 per cent in 1984, and that the drop in orders and output during the strike would be only a temporary setback.

He promised government action after the summer break to help to create new jobs. The reduction of unemployment, still at almost 9 per cent, was "the main task of economic policy during this parliament," he declared.

In a bid to foster new companies, and with them new jobs, Herr Bangemann hinted that certain taxes, notably that on stock exchange transactions, might be lifted.

East German economy, Page 16

Regan insists U.S. plans no tax increases

BY STEWART FLEMING IN WASHINGTON

MR DONALD Regan, the U.S. Treasury Secretary, hit out yesterday at allegations that the Reagan Administration is planning to increase taxes to reduce the \$200bn federal budget deficit.

There are no plans for tax increases in 1985 by this administration. Any talk of tax increases is untrue or misinformed," Mr Regan told the Joint Economic Committee of Congress in testimony on the economic outlook.

After a week of evident confusion within the Reagan Administration and the Republican Party about how best to respond to charges by Democratic presidential candidate Mr Walter Mondale that Mr Regan is secretly planning to raise taxes in order to cut budget deficit, Mr Regan issued the bluntest rebuttal so far of Mr Mondale's charge by a top Administration official.

But Mr Regan's comments left Congressional Democrats unconvinced and claiming he had left a loophole by not addressing the 1986 fiscal year, the budget for which will be presented at the beginning of 1985.

Drawing on the evidence of a better-than-expected performance by the U.S. economy over the past 18 months, Mr Regan claimed that "growth is the key to the deficit problem. There can be no solution without growth. With growth the solution is well within reach."

Far from requiring tax increases, Mr Regan maintained that "the remaining budget problem... can be handled by reasonable spending restraint on the part of Congress."

In a preview of the data which will be contained in the Administration's mid-year review of the budget outlook, which is due to be released later this week, he claimed that "the federal budget deficit has passed its peak... I hope we will hear no more talk of \$200bn deficits as far as the eye can see."

He predicted that the federal budget deficit in 1985 would be below the 1984 level, which is expected to hit \$170bn, and that by 1989 it could be down to between 2 1/2 per cent and 3 per cent of gross national product.

This would put the deficit in the \$140bn to \$150bn range.

Mr Regan's projection contrasts with the Congressional Budget Office's (CBO) estimate for 1988 of \$263bn. But the bulk of the difference, some \$178bn is accounted for by assuming much lower interest rates than the CBO.

Rounding out an optimistic pre-election assessment of the economic outlook, Mr Regan disclosed that

Bonn agrees to abolish withholding tax on bonds

BY RUPERT CORNWELL IN BONN

THE West German Cabinet yesterday agreed in principle to abolish the withholding tax faced by foreigners who buy German bonds, as a means of helping to reverse the outflow of long-term capital from the country.

The formal measure to remove the tax will be put forward by Herr Gerhard Stoltenberg, the Finance Minister, in September, to allow time for consultations between the authorities and state or regional governments that have a say in the matter.

The agreement was announced yesterday by Herr Martin Bangemann, the Economics Minister, after a Cabinet session reviewing the economy. The meeting was also attended by Herr Karl Otto Pöhl, president of the Bundesbank (central bank).

The central bank has long been pressing for an end to the tax, especially after the U.S. abolished a similar 30 per cent withholding tax. The German tax is levied at the rate of 25 per cent on interest income from bonds held by foreign residents.

The Government now plainly shares the Bundesbank's anxiety over the need to reduce capital outflows, which have increased as the differential between American and West German interest rates has widened.

That topic will dominate today's meeting of the Bundesbank council, with the dollar at an 11-year high against the D-Mark.

Arguments that German interest rates should be lifted to attract capital back into the country are, however, countered by the need to avoid steps that might prevent the economy from getting back into its stride after the seven-week engineering strike this summer.

It is also pointed out that inflation, at a 15-year low of 2.2 per cent,

STC may raise bid for ICL

By Alexander Nicol in London

TALKS between Standard Telephones and Cables, the British communications group, and computer maker ICL are expected to lead to a "material improvement" in STC's £367m (\$480m) offer for ICL, according to a joint statement issued last night.

The statement followed two days of intense negotiations between the two companies which began after a meeting of ICL's board on Tuesday. STC launched its bid for ICL late last month, taking the computer maker and the market by surprise with a dawn raid which netted 9.8 per cent of ICL. It immediately launched a bid which ICL rejected as "totally inadequate."

In yesterday's statement ICL reaffirmed that view, but went on to say: "Today the chairman and directors of STC and ICL held amicable

Deutsche Bank in DM 750m issue

BY JONATHAN CARR IN FRANKFURT

DEUTSCHE BANK, West Germany's largest commercial bank, is taking another step to strengthen its capital base by floating a DM 750m (\$238m) convertible bond issue bearing a 4 per cent interest rate at par.

The action follows a one-for-12 rights issue in the spring, which boosted share capital by DM 585m and brought the bank's total reported own funds to nearly DM 8.1bn.

Under the new step, authorised by the annual meeting in May, shareholders will be entitled to buy convertible bonds with a nominal value of DM 250 for every 10 shares, between August 29 and September 12.

The holders will have the "irrevocable" right to exchange each bond for one share at any time between January 2 1990 and December 15 1994. Deutsche Bank shares closed in Frankfurt yesterday at DM 328.50, down DM 2 on Tuesday's price.

The recent rights issue was seen not only against the background of Deutsche Bank's business growth but also with an eye on the tighter provisions of banking law, due to take effect next January.

Under the legal changes, banks will have to produce consolidated accounts including foreign subsidiaries in which they have an at least a 40 per cent stake, and to limit their total lending to a maximum of 18 times shareholders' equity (capital and reserves).

With its recent injection of DM 585m in share capital, it is believed that the Deutsche has already met, or is close to meeting, the tougher legal provisions.

It is pointed out, however, that the new convertible bond issue, which involves subordinated debt, might not be recognised by the Bonn Government as constituting equity.

Eurobonds and D-Mark issue calendar, Page 34

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EUROPEAN NEWS

Reaction to food price rise shakes Irish coalition

BY BRENDAN KEENAN IN DUBLIN

THE LABOUR Party, junior partner in Ireland's governing coalition, has been rocked by the reaction from its rank and file to last week's Government decision to cut subsidies on foodstuffs.

Its members are demanding that major concessions in the Labour policy be incorporated in the economic plan due to be published next month and which could determine the future of the coalition.

The halving of food subsidies, which added eight Irish pence to the price of a loaf of bread and a pound of butter, and 2p to the price of a pint of milk, was followed immediately by another 4p per loaf increase by the bakers—something the Government apparently did not expect.

Labour supporters are also angry because they feel that the party was left with the responsibility of defending the increases.

Dr Garret FitzGerald, the Prime Minister, and Mr Alan Dukes, Finance Minister—both members of the majority Fine Gael Party in the coalition—were on holiday when the announcement was made.

The coalition is facing its strictest test since coming to office 20 months ago with an overall majority of six.

Labour backbenchers have warned publicly that the price of their continued support will be the implementation of significant sections of Labour policy in the economic plan.

Labour demands centre on changes in the taxation system; in particular, increased taxes on farmers and capital.

The problem for Dr FitzGerald is that farmers—especially the better-off farmers—form an important part of his party's electoral support.

Also, the depressed state of the economy will make it difficult to raise anything like the £100m (£85m) in capital taxes which Labour seeks.

Labour Ministers, nervously assessing the reaction to the subsidy cuts, are aware that more unpalatable measures will have to be included in next month's plan.

Civil Service projections are thought to show a 7 per cent increase in volume in public spending next year if corrective measures are not taken.

It is feared that the rise in U.S. interest rates could add £100m to Ireland's £1bn debt servicing charges next year.

The main force holding the coalition together at this stage is the fear of a general election, in which neither of the governing parties would be likely to fare well.

One Labour backbencher suggested that Labour cross the floor and support the Government headed by Mr Charles Haughey, the opposition leader, but this seems unlikely.

Ministers will be searching for compromises between now and September, but it will require a careful balancing act to ensure Labour backbench support for what is bound to be another tough budget next January.

Economists have pointed to the failure of the Government to cut its own spending on staff and services in any significant way.

Renault 'plans to shed 15,000 jobs'

By David Marsh in Paris

SIMMERING anxieties in the French Government about steadily increasing unemployment have been brought a step nearer boiling point following publications of reports in Paris that the state-owned carmaker Renault is proposing imminent job cuts of 15,000 workers.

Although Renault said yesterday it had made no decision on any figure for workforce reductions, unions have been bracing themselves for large-scale labour shedding at France's Number One car manufacturer for several months.

The figure of 15,000, out of Renault's total workforce of 102,000, was believed to have been communicated to unions at a meeting with management at the end of last month.

The right-wing daily *Le Figaro* claimed yesterday that Renault wanted to trim that number of workers by the end of the year.

This, it said, would be in line with similar cuts proposed by Peugeot, the private-sector Number Two carmaker, which has been battling with the Government over job cuts for much of the past year.

Public opinion has already been prepared for big cuts in automobile employment by a report from an independent government-sponsored commission. The report is due to be published in September, but has already been leaked to the press.

The commission, headed by M Francois Dalle, head of the L'Oréal cosmetics group—which is regarded as one of France's industrial success stories—believes Renault and Peugeot will have to axe 70,000 jobs—a third of their workforce—by the end of 1985.

Renault said it would only make up its mind later in the year on workforce reductions. The company, which made a loss of FFr 1.6bn (£133m) last year and foresees no speedy return to profit, has already decided to trim about 5,000 jobs by the end of the year.

These it said would come mainly through early retirement.

Peugeot, which made 6,500 job cuts at its Talbot subsidiary at the beginning of the year, is trying to shed another 6,000 staff at its Citroen division, where the Government, up to now, has been refusing approval of its request for 3,000 outright redundancies.

Alan Friedman reports on the most aggressive Italian leader in years
Craxi through to the next round

Sig Bettino Craxi, Italy's Socialist Prime Minister, who has just completed one year in office, is not among the country's more popular figures. Popular or not, however, Sig Craxi has proven himself to be tough, even uncompromising, and a survivor as well.

After months of bitter conflict with the opposition Communist Party, and despite reservations among members of his five-party coalition about his confrontational style, the Italian Prime Minister last week reached an accord with his coalition partners which could keep his Government afloat for several more months and possibly even for another year.

The accord, largely a symbolic restatement of Government objectives, capped several weeks of lengthy discussion and review of the coalition partners' upset at Sig Craxi's aggressive style, it represented an unpleasant but necessary closing of ranks.

The partners may have felt they had little choice but to come to an agreement because of the Communists' good showing in June's European election. They overtook the Christian Democrats by a fraction of a percentage point to become Italy's largest single party, with 33.3 per cent of the vote. Sig Craxi's Socialists, by contrast, made no gains.

But the Prime Minister's personal style remains a contentious issue: he shows remarkably little inclination for an Italian leader to seek compromise in the traditional way, and far from being afraid of confrontation, some feel that he revels in it. This is not the way things have been done in Italy over the last 40 years.

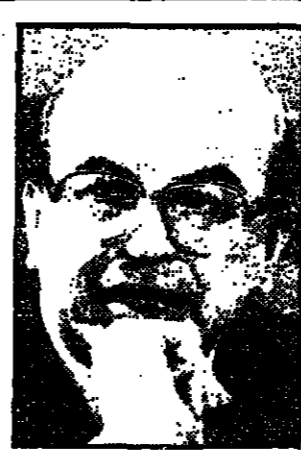
The art of consensus and compromise as practised since

the war has often, however, been a recipe for inaction on key issues. Sig Craxi rejects the traditional route precisely because he maintains that with an inflation rate at least twice the level of other European countries and a giant public sector deficit, something must be done.

His attitude has produced a new word in the Italian political lexicon: *decisionismo* or decisiveness. This approach has been backed by businessmen but has polarised the political spectrum between the opposition Communists and the Government.

Nothing illustrated the Craxi stance better than the four-month struggle which began last February over the controversial decree cutting the *scelta mobile* wage indexing system by a few percentage points.

Sig Craxi used all his wits to counter the obstructive tactics of the communists and eventually pushed through the measure. It was an important psychological battle for a man



Sig Bettino Craxi... survivor

trying to contain a public sector deficit of L96,000bn (£41bn) by cutting spending and raising revenue.

The Prime Minister's toughness showed again when last month he finally accepted the resignation of Sig Pietro Longo, the Budget Minister, who had been accused of membership in the outlawed P-2 freemasons' lodge. A minor Cabinet reshuffle went ahead last week without a hitch.

With much of Italy now shutting down for the August holidays, Sig Craxi will have time for a respite before pressing ahead next month with his 1985 economic programme. But there are signs that it will take more than decisiveness to alter the Italian political tradition of inighting.

Last week, only 24 hours after Sig Craxi won a vote of confidence on his five-party accord, he suffered an embarrassing parliamentary defeat when three decree laws con-

Portugal plans to modernise economy

By Diana Smith in London

PORTUGAL'S coalition Government has a plan for modernising the national economy which it expects will be greatly helped by membership of the European Community in 1986.

Portugal's accession to the EEC should bring it substantial finance from regional and other Community funds.

The plan is a further stage of the economic strategy devised by Sr Euzabio Lopes, the Finance Minister, and backed by Sr Mario Soares, the Prime Minister. It began with fierce austerity in June 1983, to lessen a dramatic external imbalance.

The strategy continued in June with a three-year recuperation plan aimed at trimming fat from the public sector and boosting private activity. It will be taken a step further in December when full details of the modernisation plan are disclosed.

One of the main things in Sig Craxi's favour inside the governing coalition is that there is no viable alternative to his leadership. His aggressive approach may have damaged his own party electorally, judging by the June results, and some Italians believe that he has become a bit tone-deaf in rhetoric under the new accord. But one thing is certain: when everyone returns from the seaside in September, Rome will not have seen the last round.



Sr Mario Soares

This week, with careful attention to Portugal's financial difficulties, the Government marked the main areas for modernisation. They are:

- Intensified development of agriculture and fishing, which lags far behind the rest of Europe;
- Advances in industry propelled by greater investment in education as a whole and technical training specifically and by technical innovation. Portugal's scarcity of resources in recent years has prevented investment in research and development.
- Development of energy resources and efficient energy savings programmes;
- Streamlining of the civil service, which is overstuffed, poorly paid and not generally encouraged to take responsibility;
- Dynamic export policies, aimed at diversifying products and markets;
- Investment in reforestation and modernisation of both the fishing and commercial fleets that cannot compete in their present condition with either Spain or other European countries;

Moscow matches American MX and cruise

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

THE SOVIET UNION is matching the U.S. by testing its own versions of the American MX and Cruise missiles, according to Marshal Vladimir Tolubko, head of Soviet strategic rocket forces, in a Moscow magazine interview published yesterday.

Literaturnaya Gazeta, the influential weekly whose regular coverage goes beyond literary matters but rarely to nuclear issues, quoted Marshal Tolubko as saying that the Soviet armed forces were carrying out a 1983 pledge to match latest U.S. missile developments.

It goes on to claim: "Not in any single parameter—power, distance, accuracy, invulnerability—are our rockets inferior to those of our foe."

The article's author, Mr Valery Gorbunov, said he was taken to see a missile test, but gave no details or whereabouts. A U.S. RC-135 spy plane was waiting around the missile's ocean landing zone, the journalist was told.

Marshal Tolubko's implication was that the latest Soviet missile tests stem from Moscow's publicised "counter-measures" last year to the Russian nuclear arms with Washington. But this does not stand up to scrutiny, independent experts say.

Specialists at the London-based International Institute for Strategic Studies point out that the Soviet Union has long had its equivalent, the heavy SS-18 missile, to the multiple warhead MX which President

Ronald Reagan is now planning to deploy in stationary silos.

The two superpowers have this year accused each other of breaking the tacit agreement to abide by provisions of the unratified 1979 Salt 2 treaty, including the allowance for flight testing and deployment of only one new long-range ballistic missile by each country.

The Reagan Administration has complained that while the Russians have declared their new PL4 missile—known in the West as SS-X-24—to be their own new permitted type of missile, they have gone on to test another, the SS-X-25.

The Russians claim it is only a modernisation of the earlier SS-13; this is powered by solid fuel with which the Soviet Union has so far not had much

success.

For its part, Moscow has suggested that the U.S. is infringing the Salt 2 provision by planning both the MX and a new smaller type known as Midgetman.

However, the latter will only be ready for testing after 1985, when the Salt 2 treaty was due to expire anyway.

Meanwhile, the Soviet Union is building a new class of large aircraft carrier, according to Jane's Defence Weekly, which this week published a photograph, apparently from U.S. satellites, purporting to show the first such carrier under construction on the Black Sea.

Because of its size, an estimated 75,000 tonnes, the ship is being built in two sections.

Dutch Waterways Board backs polder project

BY WALTER ELLIS IN AMSTERDAM

THE DUTCH Waterways Board is expected to advise the Government in The Hague this week to give its approval to the controversial Markerwaard Polder project in the IJsselmeer, north of Amsterdam.

The cost of the project, which would entail filling in some 40,000 hectares of the IJsselmeer—the former Zijder Zee—is currently put at some Fl 420m (£37m).

But the board believes this could be reduced by new

methods of reclamation. It also considers the polder could prove profitable in the long run.

Mrs Nellie Smit-Kroes, Waterways Minister, hopes to take a decision on the Markerwaard this year.

The proposed polder is opposed by environmentalists, who see little point in removing another large slice of the country's largest lake simply to add to the European Community's dairy surpluses.

Christopher Bobinski reports on the power of Polish bureaucracy
The battle for control of coal

A KEY BATTLE for the future of Poland's decentralising industrial reforms is being fought between the country's Mining and Power Ministry and the companies under its control.

Ever since the Polish authorities gave the mining industry powers in 1982 the Mining Ministry has argued that the nature of coal production meant that the new rules should not apply.

The Ministry has refused to decentralise decision-making, workers' councils were slow to be established in the mines, and it shows every sign of being unhappy about the reform's provision that companies be financially self-supporting.

General Wojciech Jaruzelski, the Polish leader, has generally trumpeted his moves to increase company autonomy as putting an end to the over-centralisation of his predecessor, Mr Edward Giersek, which brought Poland to ruin by the end of the 1970s. But his government has always seemed ambivalent in applying the reforms to the mining sector.

For many months after the imposition of martial law last 1981 the mining industry was kept "militarised" or subject to central army control, although reforms were introduced in virtually all other sectors.

This was partly out of Government fear of the potential political strength of the miners, and partly in recognition of coal's key role in the economy. Last year, for instance, coal exports accounted for \$670m of the country's total \$1.5bn hard currency trade surplus.

Acting on the fact that the state-regulated price for coal is below production costs and thus the mines are subsidised, the Ministry has exploited a loophole in the company law and had the country's 67 coal mines declared non-profit-making utilities, so that the rules on decentralisation would not apply.

The Ministry also seems to be unhappy about competitive pro-



would have "greater powers than the old structures" abolished by the reform.

The range of resistance has caught the Ministry by surprise, and so far it has maintained an official silence on the issue. At Energogomontaz, the workers' council, party officials at the works and the new trades union whose national federation has also come up against the scheme) have all protested against the plan.

In the past, according to Ms Kolarzka, struggles over company autonomy were often conducted over the heads of the enterprise concerned between the relevant Ministry and the local provincial party headquarters free of central control.

But now, for the first time, organisations inside the company are protesting.

Another novelty is that the company law enacted in 1981 in consultation with the then-led Solidarity trade union forbids such organisational changes unless they are expressly accepted by the workers' self-management council.

Zydzia Gospodarcza quotes Mr Jan Stepien, the chairman of the recalcitrant workers' council at Energogomontaz answering the official argument that Poland's crisis with its shortages means there must be better centralised co-ordination.

"In the past, we didn't have a crisis, but we had a centralised system, and you couldn't begin to describe the mess our construction sites were in. Centrally appointed officials came and went and the delays grew, to say nothing of the costs, no one even asked about them."

Surprisingly, party officials often thought to be confidants at the company have struck the same note:

But a similar attempt to reorganise Megat, the power-plant industry federation, has met resistance from workers' self-management councils, especially in the larger companies in the group, like Zamech in Elblag or Dozmel in Wroclaw, which are fearful of losing their autonomy. It is the weaker companies which seem to be happy to return to the centralised fold, with the prospect of greater subsidies.

Ms Lena Kolarzka, a sociologist who has made a study of the drift to centralisation in a socialist economy, notes that the present efforts are on a larger scale than before. "The Ministry wants to make its work easier by setting up just a few directors over these combines whom they will have to deal with. But above all they want to regain the power which they see slipping away from them under the reform," she says.

Zydzia Gospodarcza, the economic weekly, recently printed an account of the struggle against the Ministry's attempts to integrate the power-station construction sector. This would mean the establishment of another great monopoly merging 20 companies and employing some 55,000 people. The paper quotes a director of one of the threatened companies as saying that the new combine

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ENERGY REVIEW
— every Wednesday in the Financial Times

OVERSEAS NEWS

Red Sea mines may have been laid by Libya

BY RICHARD JOHNS

LIBYA, not Iran, is now believed by Egypt and some Western governments as more likely to have been responsible for the laying of mines in the Red Sea and the Gulf of Suez. Although it has been studiously careful not to say so, Cairo is understood to have regarded Colonel Muammar Qaddafi's maverick regime from the start as the probable culprit. Particular significance is attached to the Libyan vessel which passed through the Suez Canal on July 8 and its suspicious movements thereafter. The thinking is that Colonel Qaddafi was bent on embarrassing President Hosni Mubarak and his new Government. At the same time this school of thought does not rule out the possibility that Libya might have undertaken a novel form of international terrorism either in connivance with or in support of Iran which it has backed in four-year-old conflict with Iraq. On Tuesday Mr Mir-Hossein Mousavi, Iran's Foreign Minister, denied that his country was responsible after Tehran Radio had applauded the action of a "revolutionary Moslem organisation as a blow against 'arrogant powers' including the U.S., Britain and France. The New China News Agency yesterday reported, meanwhile,

that two Chinese vessels had been damaged by mines in the Red Sea, one of them seriously. They would bring the total to at least 15. The Hai Yang was hit on July 31 and immobilised until crewmen from another Chinese ship carried out repairs. A second incident on August 3 involved a ship called the Tang He. Tony Walker adds from Cairo: Britain is expected to deploy several of its mine-sweepers now attached to its Mediterranean fleet to the Gulf of Suez and the Red Sea as part of an international effort that is disrupting shipping. France has also indicated it is prepared to assist, and the U.S. is sending four mine-sweeping helicopters to the region and 200 personnel. The captain of the Liberian-registered Oceanic Explorer, badly damaged in the Red Sea on Sunday, said yesterday his ship had hit a mine drifting near North Yemen, contradicting a claim by the Pentagon on Tuesday that the damage was caused by an explosion on board.

Israeli parties to start detailed unity talks

BY DAVID LENNON IN TEL AVIV

NEGOTIATIONS on establishing a national unity government in Israel move into higher gear today when teams from the Labour Party and the right-wing Likud Bloc meet for the first of a series of talks in search of a common platform. The discussions are likely to be difficult and there is no guarantee that they will be successful. The Likud, which ruled for the past seven years, insisted yesterday that the question of who will head the national unity government must be included on the agenda. Labour regards this as an affront to President Chaim Herzog, who on Sunday invited Mr Shimon Perez, the Labour Party chairman, to try to form a coalition from among the 15 parties elected to the 120-seat Knesset (parliament) last month. But even before dealing with the leadership question, the country's two main parties will have their work cut out bridging the gaps between their views on such contentious issues as peace negotiations with the Arabs, and the future of the occupied West Bank.

Setback for HK councillors

BY DAVID DODWELL IN HONG KONG

HONG KONG Government officials yesterday told legislative council members that councillors should not "hold out for any hope of amendment in the detail" of the Sino-British agreement on the territory's future. It is published probably at the end of September. The Government statement added weight to calls by councillors for people to speak out in the "crucial weeks" between now and mid-September on the essential ingredients of any agreement. "So as to leave no doubt in anyone's mind what the elements that are absolutely essential are." The exchanges came during a special session of Hong Kong's Legislative Council, the local equivalent of Britain's Parliament, on the assessment office to be set up in September to gauge public attitudes towards the agreement. It was the last session of Legco to be held before the summer recess. At the same time, Sir Edward Youde, Hong Kong's governor, yesterday opened the 20th session of secret Sino-British negotiations in Peking on the future of Hong Kong. China will resume sovereignty of the territory in 1997, when Britain's lease on the territory of the colony runs out. In all, the territory's political leaders were given short shrift by government officials over their various requests. The call for a referendum in the event of the assessment committee failing to find a "definitive view" of public reaction was dismissed outright—as it was by Sir Geoffrey Howe a week ago. Requests for the assessment office to take an active opinion-finding role, rather than "passive reliance on existing government machinery," and that it should be able to commission independent surveys, were also dismissed. A government official said the office would be passive, "keeping its eyes and ears open to all views."

SINGAPORE CELEBRATES 25 YEARS OF SELF-RULE Lee's message of rugged optimism

BY CHRIS SHERWELL IN SINGAPORE

THE TINY island state of Singapore, celebrating 25 years of self-rule with a grand National Day parade today, has reached the final stage of a transition to a new generation of leadership. An optimistic Prime Minister Lee Kuan Yew said last night. Mr Lee, who has led the country for so long that only one in three Singaporeans can remember life before he became leader in 1959, was giving a nationwide telecast which heralds a climax to months of colourful festivities and a possible snap election. The anniversary of the end



to Singapore's British colonial tie has brought countless outbursts of rhetorical self-congratulation over the country's remarkable achievements and stark warnings from "old guard" leaders about the dangers of complacency in an uncertain world. Mr Lee's optimism was also a direct answer to the worries of older Singaporeans who have wondered whether the "good life" brought by years of high, uninterrupted economic growth has weakened the work ethic and values of the young. The young, he replied, were aware of the realities. But he also offered his own word of warning when he said they must understand "why our society must always be better organised and more disciplined than the average."

In short, they can expect continued restrictions on everything from public trespassing to pre-dawn heli-riding, persistent exhortations to be productive and polite, and unrelenting reminders about how the trials of the past justify controls on freedom today. Equally, however, they can look forward to a future of assured jobs, good wages,

Japanese telecom Bill delayed

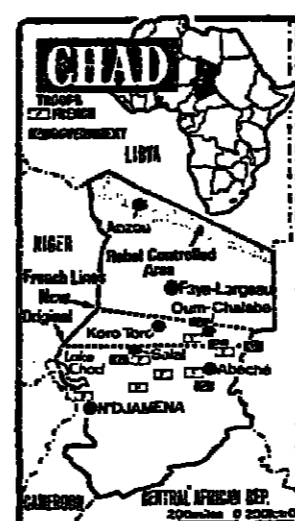
By Jurek Martin in Tokyo

MR YASUHIRO NAKASONE, the Japanese Prime Minister, has been frustrated in his attempt to persuade the Diet to pass the Bill privatising the national telecommunications system in the course of its current session, which ended last night. However, the failure almost certainly does not mean a dénouement of the denationalisation of Nippon Telephone and Telegraph (NTT) scheduled for next April. An extraordinary session of Parliament is likely to be convened about the end of September or early October and it is generally assumed the Bill will then finally pass the Upper House of Councilors; it passed the Lower House last month. In effect, the NTT Bill fell victim this time around to a complex and quintessentially Japanese set of parliamentary tactical circumstances, in which the merits of the legislation itself were not really an issue. Although the Japanese Socialist Party led the fight against the Bill, it is by no means solidly against privatising the state monopoly. However, it was intent on denying Mr Nakasone a clean sweep in the shape of parliamentary passage of all the major items on his legislative agenda. Mr Nakasone is predicting his autumn campaign to retain the leadership of the ruling Liberal Democratic Party—and hence the Prime Ministership—on his legislative record. In the current extended session, the Diet has indeed passed measures establishing a government advisory body on educational reform, revising the national health insurance and reforming the tobacco and salt monopoly, all priority items, in Mr Nakasone's view. Moreover, political custom in Japan is that the government party, though able to command a majority, should not be so "arrogant" as to ride roughshod over the opposition and ram its proposals through Parliament. By agreeing to let the NTT bill hang fire for a couple more months, generally considered a non-critical delay, the LDP and Mr Nakasone have shown proper "consideration" to the opposition's feelings.

David Marsh in Paris reports on the role of French troops abroad Chad 'gendarmes' set for long haul

FRENCH TROOPS in Chad, a year after being sent in to bolster the Government of the central African country against Libyan-backed rebels, have little immediate prospect of returning home. The airlift of soldiers announced laconically in Paris a year ago today has turned into France's biggest military operation outside Europe since the Algerian war, which ended 22 years ago. Around 3,300 troops, air force personnel and other military specialists, backed by fighter aircraft, helicopters, a tank squadron and a formidable array of associated high-technology weaponry, are helping regular Chad forces to hold an area roughly the size of France—the southern half of the land-locked country under the control of President Hissène Habré. The troops are there to carry out the kind of delicate military operation which soldiers hate but have also come to know through France's peace-keeping role in Lebanon: not to fight battles, but to provide an opportunity for warring factions to sit down around a negotiating table. Public opinion at home is fearful about getting involved in a far-away war, and the French soldiers have fulfilled their limited role with aplomb. But on the diplomatic front there are only slender signs of any breakthrough which will enable France to pull out of Chad with honour. Although the French presence has blocked any rebel advance on the capital N'Djamena, the sparsely populated desert regions of the North are still in the hands of M Goukouni Oueddei, the former Chad President ousted by M Habré in June 1982. He is now leading rebel forces, backed by perhaps 3,000 Libyan soldiers who are trying to carry out the grandiose design of Col Muammar Qaddafi of annexing northern Chad into "Greater Libya."

M. Charles Hernu, the French Defence Minister, said yesterday that French troops would stay in Chad as long as Libyan forces occupied the North of the country. M Hernu will visit the troops later this month. "We will not leave Chad as long as there is a Libyan soldier south of the Aozou strip," M. Hernu said in a reference to territory on the border with Chad. The French operation had three objectives—to prevent rebels from seizing the capital, N'Djamena, to end the fighting and to create conditions for a peaceful settlement. The first aim had been accomplished. "Without the presence of French forces the Libyans and their allies would be in N'Djamena,"



in January, has died owing to direct enemy action. This incident—destroying the almost mystical African belief in the invulnerability of France's Jaguar and Mirage squadrons—brought a more aggressive French military stance, much to the liking of M Habré, and a move Northwards of the French-held "peace line." French patrols and air force reconnaissance, backed by U.S. made KC 135 mid-air refuelling aircraft in the buffer zone have provided a spring-board for regular Chadian forces to make sporadic harrying incursions into rebel-held territory. French troops and support personnel have gained valuable desert experience and have also played an important role in assisting the civilian population, for instance by helping villagers return to desert townships ravaged by Chad's intermittent 20 years of civil strife. But the tally of 11 men killed by accident (including nine in an explosion during a lasty-managed attempt to defuse enemy shells and another pilot lost in a Jaguar crash) says much about the unattractive risks of desert operations as well as of the boredom which can set in among troops without a clear fighting role. On the diplomatic front, painstaking attempts engineered by France and other African countries such as Ethiopia and the Congo to bring together for peace talks M Habré and M Goukouni, have so far failed resoundingly. A key stumbling block has been M Habré's desire to be recognised as the legitimate Chad leader by the Goukouni faction before he will go to the negotiating table. Paris, meanwhile, is placing its main hopes on the Congolese mediation—and is making clear that in the battle of nerves with Colonel Qaddafi, M Mitterrand will not be the first to break.

More violence in Sri Lanka

About 100 casualties were reported yesterday in fresh clashes between the Sri Lankan Army and Tamil separatists in the country's Tamil-dominated northeastern peninsula, writes AP from Colombo. Scores of Tamil youths were arrested. Meanwhile, the Government denied Indian press reports that the Navy had shelled a coastal town on Monday. However, officials said privately that an attack on the town had left about 2,000 families homeless.

End French N-tests? Leaders of 18 Commonwealth countries yesterday condemned France for conducting nuclear tests in the South Pacific and expressed their opposition to the dumping of nuclear waste in the ocean, reports Reuter from Port Moresby.

Mugabe seeks support Zimbabwean Prime Minister Robert Mugabe yesterday opened the national congress of his ruling Zanu-PF party with a pledge to press for a one-party State, AP writes from Harare. He told the 6,000 delegates that he expected "an affirmation" of past support in the first post-independence elections set before next March. Editorial Comment Page 16

African currency plan Leaders of Portugal's five former African colonies have again called for the introduction of a common currency linked to the Portuguese escudo, Diana Smith reports from Lisbon. The call was made by the countries' foreign ministers at a summit meeting this week, but the Portuguese authorities have yet to respond. The escudo is a weak currency, and senior financial experts seem more enthusiastic for a plan to create a central bank

DAEWOO WE STAND advertisement with large stylized text and company information.

Vertical text on the left margin including 'Portugal plans to modernise economy' and 'coal'.

AMERICAN NEWS

If you're a top boxer, it helps to like food—and pain

HE HAS yet to earn a world record, to go with his Porsche; but America's Carl Lewis, the poor little rich boy of Olympic track and field, has already set his seal on the Los Angeles games.

3 in—unusually tall for a welterweight—but his centre of gravity is low, his balance excellent, his watchfulness (or "radar") famed, and his intelligence considerable.

rewarding years in the professional ranks before following where Johnny Weismuller and Buster Crabbe went before and embracing Hollywood (or at any rate acting) full time.



Michael Thompson-Noel reports from LOS ANGELES

According to a South Korean official: "The United States does not have to do this. They have a strong team, strong boxers, but they have too much influence on the judges. All the Americans always win. I think sometimes they lose and they still win."

ing—upside down—look precisely what it is: mutton dressed as lamb.

Buying spree expected as U.S. relaxes rules on broadcasting

BY TERRY DODSWORTH IN NEW YORK

THE U.S. broadcasting industry is rapidly gearing up for what is expected to be a big buying spree after the federal communications commission's decision to relax its 31-year-old rules on station ownership.

Washington pressure group strongly opposed to further concentration of broadcasting ownership, the centre believes the FCC's changes will lead to increased prices for broadcasting stations, and thus make it more difficult for minorities and smaller operators to enter or remain in the market.

Bush agrees to TV debate with Ferraro

WHITE HOUSE political strategists, in a change of mind, say Vice-President George Bush is prepared to have a television debate with his Democratic opponent Ms Geraldine Ferraro, Reuter reports from Washington.

Canadian business group seeks economic change

AN INFLUENTIAL Canadian business group has asked leaders of the country's main political parties to steer the next Government towards freer trade with the U.S., fewer restrictions on foreign investment and less public sector involvement in the economy.

Venezuela's creditor banks start latest debt talks

VENEZUELA'S leading creditor banks yesterday began a round of negotiations in New York to consider the Venezuelan Government's proposals for rescheduling its public sector debt.

Brazil's main opposition links with dissidents

BRAZIL'S major opposition party has formally joined an alliance with a dissident faction of the ruling Social Democratic Party (PDS) to contest Presidential elections in January.

U.S. chipmaker settles row

NATIONAL Semiconductor, the major U.S. chip manufacturer, and the Defense Logistics Agency, the purchasing arm of the U.S. Defence Department, have reached agreement resolving the final issues from the company's admitted failure to fully test some microcircuit devices between 1978 and 1981.

WORLD TRADE NEWS

U.S., Israel hopeful free trade area deal is close to signing

TALKS BETWEEN Israel and the U.S. on setting up a free trade area have reached an advanced stage. The Israelis are hoping the agreement can be signed by mid-September and that implementation will begin on January 1 next year.

Japanese car parts plant set for U.S.

By Robert Cottrell in Tokyo NIPPONDENSO, the Japanese automobile parts manufacturer which is an associate of Toyota Motor Corporation, plans to build a \$100m (\$21m) air-conditioner plant in Battle Creek, Michigan.

FT writers examine two reports with contrasting views on U.S. trade performance Washington worries over high-tech imports

AS AMERICANS grapple with the implications of trade deficit which is likely to hit \$120bn this year, their concern is no longer confined to the traditional headline-grabbing industries such as steel or textiles-manufacturing.

This is a relatively new element in the debate about the U.S.'s unprecedented large trade deficit. Most economists have hitherto blamed them on broad macroeconomic developments such as the high-flying dollar, the role of the U.S. economic recovery in sucking in imports, and that of the debt crisis in choking off exports to developing countries.

communications equipment and electronic components—\$5bn last year, up from just under \$3bn in 1980.

The suggestion that the U.S. is falling behind this competition seems a little far-fetched. But it is quite possible that there has been some narrowing of the U.S. technological lead.

For this reason, it is hardly surprising that the U.S. is becoming more intolerant of barriers to its high-technology exports and of the continued difficulty it is having in exporting more to Japan.

Indonesia may produce components for BAe

BRITISH AEROSPACE says it's ready to discuss the possibility of manufacturing with P.T. Nurtanio, Indonesia's aircraft manufacturing company, as part of a package to sell the new BAe 146 jet aircraft.

Dutch harbour deal

Two Dutch-based construction groups, Bechtel and Hochtief, have won an order worth at least \$1.3bn (\$200m) to deepen the harbour at Port Hedland in north west Australia.

Venezuelan aluminium

Venezuela's Ministry of Development recently approved a request by Sural (49 per cent owned by Southwire Corporation of the U.S.) to install an aluminium plant in Venezuela with up to 100,000 metric tonnes per year of smelting capacity to be used for wire rod production, according to a Ministry official, Joseph Mann reports from Caracas.

Poland-Iran accord

Poland, which has strong trading links with Iraq, wants to buy more oil this year from Baghdad's adversary Iran in exchange for industrial products, according to the official, Joseph Mann reports from Warsaw.

Study says exporters have kept competitive edge

THE NEW YORK Stock Exchange (NYSE) has plunged into the controversy over the future of the American manufacturing industry by taking issue with the view that domestic producers have lost their competitive edge.

UN agreement nearer on flags of convenience

PARTICIPANTS in the recent UN talks on registration of ships—the so-called flags of convenience—are optimistic that agreement will be reached in the end, although an accord is not imminent.

Stewart Fleming

The overall result of the increase in U.S. import penetration and the changes in export performance has been a net loss of jobs. In 1983, for example, foreign trade cost the U.S. 584,000 manufacturing jobs after balancing jobs lost to imports against jobs gained in exports.

UK NEWS

Irish Gas deal endangered by pricing dispute

BY BRENDAN KEENAN IN DUBLIN

A DEAL to pipe natural gas from Dublin to Belfast is in danger of collapsing because the Irish Government has refused a British request to renegotiate the terms. Mr Dick Spring, the Irish Deputy Prime Minister, said yesterday that the UK Government was seeking a cut of almost 50 per cent on the price per therm agreed in a joint memorandum of understanding last October. That price, never officially disclosed is believed to be 26p a therm. Since then, however, the price has risen by almost 25 per cent because of rising dollar rates and oil prices. The contract price was effectively in dollars, through a formula linking it to the dollar exchange rate and world prices for gasoil and heavy fuel oil. This will mean the loss of around 1,000 jobs in the 13 public and private undertakings which currently supply gas. Ulster authorities have become concerned about the commercial prospects for the project because of escalating cost and a recent consultants' report. The report suggested that the long-term aim of increasing gas consumption in Ulster - from the present 3 per cent of total energy usage to 12 per cent - might not be achieved without a substantial price reduction. Mr Spring insists, that last Octo-

ber's terms, which were the result of two years' hard negotiation, remain the best commercial offer which the Irish Government can make. Dublin's reluctance to renegotiate also reflects anger that the British Government should seek substantial changes so late in the day, when an estimated £4m has already been spent on planning, tendering and advertising on both sides of the border. Both sides accept that the long-term marketing projections are vital, but the Dublin negotiators says the response to the report has been unduly pessimistic. Mr Spring argued that the consultants' estimates were still well above the minimum quantities which the Northern Ireland authorities were committed to take under the deal. The Irish Government is also reluctant to drop its asking price below that being charged to customers in the republic, from fear of being accused of giving an effective subsidy to Northern Ireland consumers. The collapse of the deal could cost the Irish Republic an estimated £20m a year in net revenues. Sales to Belfast would be highly profitable, because the only development costs would be an estimated £50m for a pipeline to Belfast.

Maxwell delays newspaper plan

BY DAVID GOODHART

MR ROBERT MAXWELL'S plan to launch a new London evening paper - originally scheduled for this autumn - has been delayed until next spring at least. The new proprietor of Mirror Group Newspapers is still strongly committed to the project, however, and is believed to have commissioned a Marplan opinion survey on the subject. He has also spoken to advertisers and wholesalers. The present plan is for a London evening designed for an identical market as that now occupied by the Evening Standard, which sells 500,000 copies.

Many observers believe that unless distribution networks are shared between two London newspapers there is only room for one, and that the launching of a second could be disastrous for both. There has been some speculation that if research bears out the latter belief, Mr Maxwell may even attempt to buy Trafalgar House's 50 per cent share in the London Evening Standard. He is also said to be considering making an offer for the Thomson Group's Withy Grove works in Manchester, which prints northern editions of the Daily Mirror, but is scheduled to close in three years.

FT writers select their personal Top Ten The MPs who lead from behind

FT writers select their personal Top Ten



MOST EFFECTIVE MP'S

- Paddy Ashdown
Tony Benn
Nicholas Budgen
Julian Critchley
Edward du Cann
Tarn Dalyell
Austin Mitchell
Enoch Powell
Francis Pym
Ken Weetch

MRS MARGARET Thatcher, the UK Prime Minister, had to wait only two years on the backbenches before becoming a minister, yet Mr Harold Macmillan, the former Prime Minister (now the Earl of Stockton), and Mr Michael Foot, the former Labour leader, had to wait 16 and 25 years respectively after first entering Parliament to become frontbenchers. These days on the backbenches (where rank and file MPs sit) may have been periods of frustration yet they were not times of ineffectiveness. Many an MP has made a mark away from the front bench, where senior party members sit, by assiduous committee work and looking after constituents' interests just as much as by making provocative statements or by rebelling. It all depends on what an MP wants to do. Fewer members than in the past arrive at Westminster content to be backbenchers for the whole of their parliamentary careers. But within a few years, many MPs become reconciled to a backbench role and thrive on it. In many respects the most remarkable backbencher is Mr Ken Weetch, the Labour MP for Ipswich, merely because he is in the House of Commons at all. In both the 1979 and 1983 general elections he defied the national trends to be the only Labour member in the heart of East Anglia. His Tory opponents suspect that the fact that he has done so

twice is largely despite, rather than because of his party label. Another measure of effectiveness is whose speeches attract other MPs to listen. Who can still rival Lloyd George (Liberal Prime Minister 1916-22)? The two backbench masters now are Mr Enoch Powell and Mr Tony Benn - Powell leaning forward with compulsive passion to awe almost all his critics. Benn, now the prophet, not the technocrat of the 1960s, and the latest in a long line of radical challengers to the establishment. For all the distinction of the Cabinet in exile on the Tory backbenches (Heath, Pym, Gilmour, Howell, Rippon, Parkinson), few of them have made a sustained impact, at any rate in the Commons. However, Mr Francis Pym qualifies because, carefully chosen and elliptical as his words often are, his

speeches after his dismissal from the Cabinet 14 months ago, and more recently on local government, have clearly struck home to listening ministers. The wittiest and most telling backbench speaker is Mr Julian Critchley, the Conservative MP for Aldershot, the master of the elegant tease at the expense of the Thatcherite regime. He is as funny a speaker as a light essayist, with the additional merit of making only short speeches. Some MPs make a mark by getting under the skin of ministers by persistent questioning. Mr Tarn Dalyell, the Labour MP for Linlithgow, is the champion of this art, not only over the sinking of the Belgrano in the Falklands war but on subjects ranging from sewers to science policy. One of these days he is going to

get up, head to one side, and ask simply "why?" completely flummoxing a minister. On the Tory side, the leader of the awkward squad is Mr Nicholas Budgen, the Conservative MP for Wolverhampton South West. After a short period in the whips office (he resigned over Northern Ireland policy) he always appears to be in search of mischief, recently infuriating Sir Geoffrey Howe, the Foreign Secretary, with his questioning over the EEC budget. Few ministers want Mr Budgen to take an interest in their areas. Hardly any members can claim much legislation to their personal credit but Mr Austin Mitchell, the Labour MP for Great Grimsby, has been at least the catalyst behind several changes. He always appears to be popping up with a motion here or Private Member's Bill there. He can claim to have forced the Government to bring forward changes in the law on conveyancing and to have kept the possible televising of the Commons continually in front of MPs. Then there are the sober, solid committee men who have in recent years pushed through major changes to strengthen the legislature's scrutiny over the executive - Mr Terence Higgins, Mr Robert Sheldon and Lord (Joel) Barnett. But the most effective, if only for the number of horses he has ridden simultaneously, is Mr Edward du Cann, the Tory MP for Taunton. This autumn he will seek, and al-



Mr Tony Benn: effective speaker

most certainly obtain, a record 13th year as chairman of the Tory backbench 1922 Committee. Finally, who promise to be the names of the 1990s and beyond? Some would opt, tongue partly in cheek, for Mr Dave Nollist, the Militant supporter from Coventry, or his mirror image, Mr Nicholas Scames, Sir Winston Churchill's grandson from Crawley. But to preserve party balance the final name is Mr Paddy Ashdown who won Yeovil for the Liberals in June 1983 and is already being talked about as a future party leader.

Peter Riddell

Political Editor
Tomorrow: Ten worst theatrical productions

Rich get richer while poor take smaller earnings share

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

THE RICH are getting richer and the incomes of the poor have been falling relatively behind since the Conservative Government came to power, according to an official estimate published yesterday. An article in the Central Statistic Office's (CSO) publication, Economic Trends, shows that the richest 1 per cent of the population increased their share of total pre-tax income from 5.3 per cent in 1978-79 to 6 per cent in 1981-82, the latest year for which figures are available. In the same period the poorest 10 per cent of taxpayers reduced their share of pre-tax income from 2.4 per cent of the total to 2 per cent. This change in the share of the national cake, which is also apparent in incomes after tax, affected the richest 20 per cent of taxpayers and the poorest 20 per cent. Those in the middle maintained about the same share of total personal income. The CSO says that more than three quarters of total personal income goes to "tax units" in the upper half of the income band. A tax unit is either a single taxpayer or a husband and wife who file a joint tax return. Some of the tax units, therefore, include two wage earners. Since many of the lowest paid tax

units represent single people, a simple comparison between the top and bottom sectors of the income league can be misleading. The change in distribution of incomes over the period studied partly reflects the increased number of unemployed people, whose income is inevitably lower. The CSO estimates that the top 10 per cent of earners paid 25.8 per cent of their incomes in tax in 1981-82, compared with 23.4 per cent in 1978-79. The average tax paid in the late year was 17.1 per cent. Economic Trends No 369 (HMSO: £11.25)

Acid rain 'requires more investigation'

BY FINANCIAL TIMES REPORTER

FURTHER investigation of the causes and effects of acid rain is called for in a report published yesterday. The Watts committee on energy study warns against "expensive solutions which may, in the end, be found to have little effect." The report accepts that environmental damage to crops, trees, buildings and fresh water does occur because of acid emissions from the burning of fossil fuels. It stresses, however, that it is not yet possible to be sure that acid rain is always the main cause of the problem. The findings would seem to back up the Government's case that it would be foolish to spend vast sums of money on any scheme until it could be certain of scientific benefits. The report supports two other studies published this week which say damage can be caused by a series of complex chemical reactions and confirms that long-range transport of pollution does occur. It questions whether the halving of sulphur dioxide emissions from British power stations would result in a halving of the acid deposition and points out that such action could lead to an increase in electricity prices of 4 per cent to 5 per cent.

Court rules against ex-Howden directors

By Raymond Hughes, Law Courts Correspondent

TWO FORMER directors of Alexander Howden Underwriting can not escape Lloyd's disciplinary proceedings later this year in which they are charged with dishonestly misappropriating Alexander Howden Group funds, the High Court has ruled. The court rejected a claim by Mr Jack Carpenter and Mr Alan Page - two of the so-called Howden "Gang of Four" - that Lloyd's had no jurisdiction over them because they had resigned their Lloyd's membership. The court said their purported immediate resignations on April 12 - five days before the disciplinary proceedings were started - were ineffective. Mr Justice Lloyd said when they became Lloyd's members they had signed an undertaking which included a clause that "I will not resign my membership without first giving to the committee such notice of my intention to do so as may be required by them." Mr Justice Lloyd said Lloyd's had contended Section 7 of the 1982 Lloyd's act and Lloyd's by-laws gave the disciplinary committee jurisdiction over a person even after he had resigned, if he was charged with misconduct during his membership. The judge said he was not persuaded that was right, but he did not have to decide the point and specifically refrained from doing so.

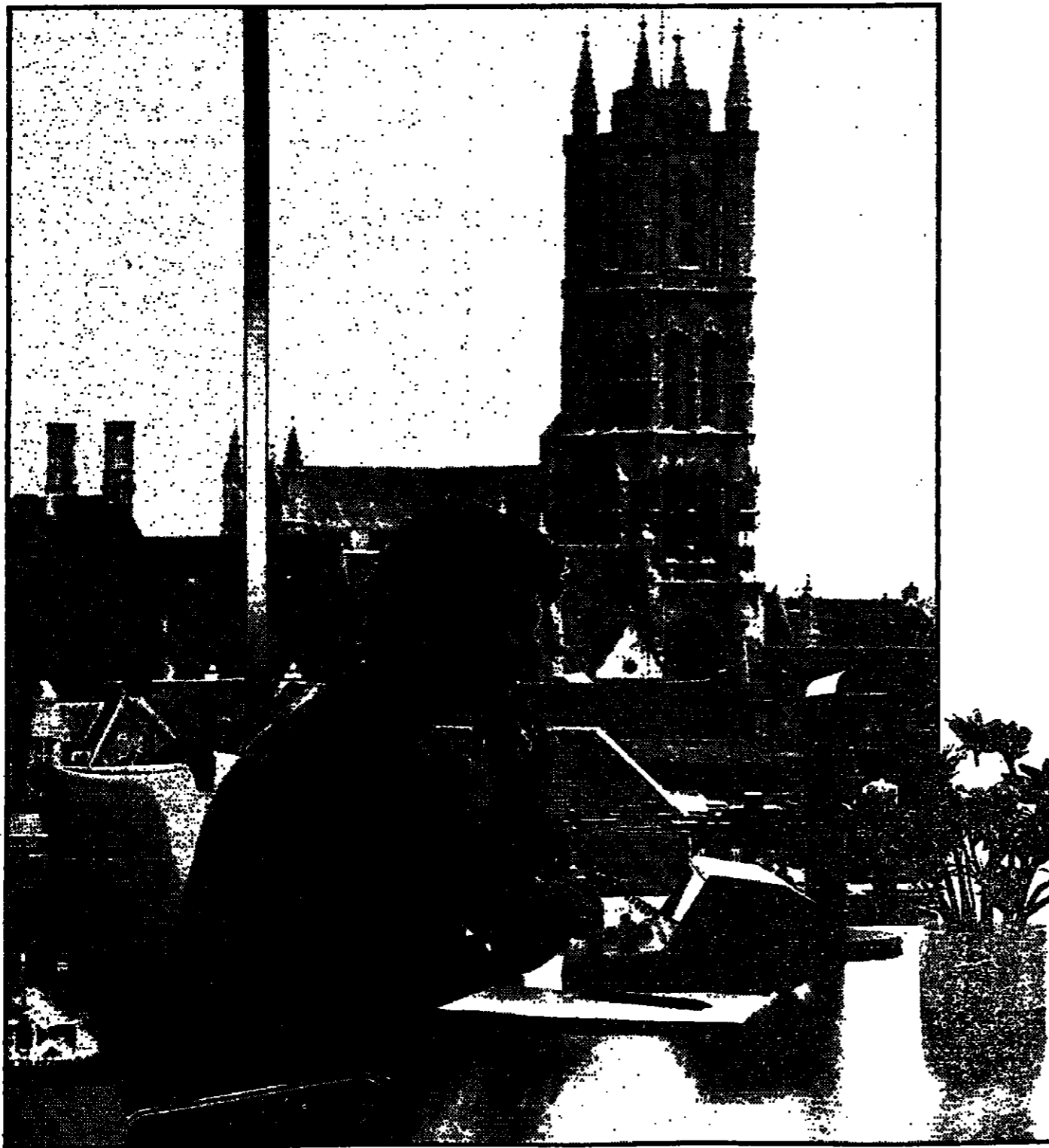
Advertisement for Andrews' Total Air Control, featuring a person and text about air conditioning and environmental control.

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JOBS COLUMN

How moving home risks children's prospects

BY MICHAEL DIXON

WHAT SEEMS like a promising idea has been sent in by reader John Howson. Having decided to give up being an academic, he wonders whether recruiters and job candidates would have use for the insights he has gained by studying the ways in which the character of State education varies from one area of Britain to another.

The variances can be acutely important to people considering a move to work in some other part of the country, especially if they have children of secondary-school age. Their prospects in the increasingly decisive 16- and 18-plus examinations are liable to be damaged if, as is often the case, the school in the new area teaches different subjects to different syllabuses and different academic standards.

The trouble is that there is no readily available source of information about such variances. Mr Howson believes he can fill the gap by developing an information service based on his previous research. At first it would concentrate on state secondary schools, providing:

1—Details of the range of subjects taught to exam level by the different schools in an area, which of the examining boards' syllabuses they used, and the results they achieved.

2—Indications of likely changes in the way local education authorities organise their

schooling, such as the concentration of sixth-form studies in separate colleges.

3—In the case of places where children are still selected by academic aptitude for different kinds of schooling, details of the selection procedures used.

The service might also provide help with problems parents meet in trying to get their children into the state school of their choice, John Howson adds, but the important question is whether the number of people willing to pay for such information would be big enough to make the service worthwhile.

Readers who find the idea interesting might like to contact him at 3 Harley Road, Oxford OX2 0HS; telephone 0865 247763.

Assorted pair

TWO assorted jobs are offered by recruiter Alan Ahern on behalf of companies he may not identify. So, as is always the case when headhunters mentioned in this column do not disclose their clients, he promises to abide by any applicant's request not be named to the employer concerned at this stage of the proceedings.

The first is the post of managing director designate of a company to the west of London, which produces science-based products and systems as well as providing a consultancy service.

There will be a fair deal of international travel.

Candidates should be technically qualified as well as knowledgeable about electronics and computer applications with success in managing and demonstrable strength in marketing to Government departments, universities and professional concerns in addition to manufacturers of original equipment.

Salary indicator up to £30,000. Car among other benefits.

Mr Ahern's second offer is with a multinational in London which seeks a technical/commercial manager for a range of products for telecommunications, including radio and other broadcasting. The need is for an engineer, preferably in electronics, with experience in the same field and skilled at dealing with customers both commercially and technically.

Salary up to £19,000, again plus car.

Inquiries to Ahern Associates, 60 Quarry St, Guildford, Surrey GU1 3UA; tel 0483 502866, telex 858500 Sharet G.

Sales cascade

HEADHUNTER Brian Standing seeks a cascade of marketing and sales people for a medium-sized British group. Its business is in specialised chemical products for cleaning, maintenance, catering and other

industrial as well as agricultural uses.

Topping the range is the post of group sales and marketing director whose prime task will be to examine the whole sales operation, decide how best it can be improved so as to increase the group's shares of its markets, and put the improvements into effect. This task will entail setting up an appropriate marketing function, as well as developing existing sales staff and recruiting newcomers in line with the needs of the revitalised operation.

Hence candidates must demonstrably have a comprehensive strategic understanding of marketing and sales management in addition to successful experience in recruiting, training and leading a big sales force. Applicants should also have set up and run a distributor network, the wider spread the better although export sales are at present small.

Knowledge of the industrial and agricultural consumables business is wanted, too. Familiarity with telephone sales operations would be a help.

Salary around £23,000 plus bonus on results. Car among perks.

The second post in the cascade is for a national sales manager for the group's division which sells primarily to industrial and commercial outlets of numerous kinds. Here

the prime need is demonstrable ability to develop and lead a sharp and professional sales operation, preferably accompanied by success in a comparable business.

Salary about £20,000 with bonus and car among other benefits.

Below that there will be unspecified openings for area sales managers in various parts of the country at salaries in the £16,000-£17,000 range.

Inquiries to Standing Executive Search, 58 Wycombe Rd, Marlow, Bucks SL7 3JZ; tel 06284 5931, telex 847159 Marlow G.

Another pair

NOW TO another assorted pair offered by recruiter John Williams of Russell, Williams and Associates (48 St Mary's Rd, London W5 5RQ; tel 01-579 1092). Both are in London.

One is for a lawyer with enough experience of the oil and gas industry to deal with the contractual aspects of consortium relationships, licence applications, joint ventures, and other complications relevant to a British independent oil company, plus the commercial knowledge and drive to negotiate advantageous contracts at top level.

The job title is commercial manager (legal) and the salary indicator is £25,000. Perks include a car.

The other post on Mr Williams' list is for a corporate foreign-exchange dealer cum consultant with the international treasury management group of a UK bank. Besides carrying out transactions on behalf of the group's clients, the recruit will advise multinational companies in Europe and the Middle East as well as the UK on questions of currency and debt-management.

Candidates should have extensive experience in inter-bank dealings, plus keen interest in foreign-exchange and associated markets and the communications skills to advise clients on market technicalities.

Salary guide, which I gather has a good deal of elasticity, is £20,000. Other benefits for negotiation.

Finance boffins

AN UNSPECIFIED number of specialists in financial analysis and sublike, highly numerate and perhaps with accountancy training before going to work in industry or commerce, are wanted by recruiter Hans Wessel for the London arm of an international merchant bank. Salary range £15,000-£28,000. Perks for discussion.

Inquiries to Mr Wessel at Noel Alexander Associates, 70 Queen Victoria St, London EC4N 4SQ; tel 01-248 2256, telex 8812703.

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Essex

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Please send a detailed cv, including contact telephone numbers, in strict confidence to George Cross, ACMA at Management Appointments Limited (Recruitment Consultants), Finland House,

56 Haymarket, London SW1Y 4RN.
Tel: (01) 930 6314.

GENERAL MANAGER

HARROGATE

Following the publication of the Griffiths Report, the management of the Health Service is undergoing change with great stress being laid on accountability for the efficient use of resources with the prime aim of achieving the best possible patient care. The achievement of high standards and ensuring value for money presents a challenge for management and leadership at all levels.

The Yorkshire Region is responsible, through 17 District Health Authorities, for the care of 3,600,000 people living in West Yorkshire, North Yorkshire and Humberside. It employs 61,000 staff and has a revenue budget of £642 m.

The General Manager will be responsible for putting into effect the Authority's decisions and policies. This will involve both leading the Authority's Team of Chief Officers and improving management performance in meeting objectives.

Candidates should be able to demonstrate considerable success at senior level in a major

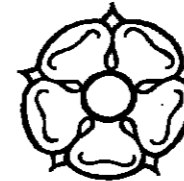
enterprise (private or public) and be capable of commanding the support and respect of the many and varied professionals and clinicians operating within the Service.

The salary is negotiable bearing in mind the new manager's current remuneration package and other relevant factors. The appointment will be for a fixed term, extendable by mutual agreement.

Initial preliminary interviews will be conducted by the Chairman after which Authority members will play an important role in the selection process.

Please write giving sufficient brief details to justify an interview to:

Bryan Ashew,
Chairman,
Yorkshire Regional Health Authority,
The Old Brewery,
Tadcaster, LS24 9EB



Yorkshire Regional Health Authority

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Remuneration will be exceptional for the right candidate.

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City

Abbey Unit Trust Managers has established an impressive record over the last two years in marketing and managing a wide range of Unit Trusts. The recent introduction of the Unit Trust Portfolio Service for clients has been a great success and there are ambitious plans for future growth.

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Candidates, male or female, of graduate calibre, must have a clear understanding of unit trusts with ideally experience of advising clients on investments. Preferred age is in the range of 30-35 but this is less important than commercial flair and strong personal qualities of communication and presentation.

An attractive remuneration package is negotiable and benefits include a car, mortgage subsidy, non-contributory pension and BUPA. Please apply in confidence with full personal, career and salary details, quoting ref. 099/3, to Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA. Telephone 01-634 1148.

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We are in the process of building a major stockbroking firm from what is at present a small, but very profitable, base. The availability of adequate finance will be no hindrance to this ambition. We intend to expand our sectoral coverage of the equity market substantially in the near future but, as a first step, we propose to build on our existing strengths.

Consequently, since WICO, Galloway & Pearson has a long established presence in the gold share market we are seeking to extend our institutional coverage in this area.

Gold Shares and Mining Finance Houses

We invite applications from sales executives or research/sales teams with a proven track record and strong institutional connections who would like to join an expanding and ambitious department trading in this area. Remuneration will be negotiable, but will fully reflect the contribution made to the firm's income.

Applications (which will be treated in strictest confidence) with C.V. to:

D.H. Stirling,
WICO, Galloway & Pearson Limited,
Warnford Court, Throgmorton Street, London EC2N 2AU.

APPOINTMENT OF
DIRECTOR GENERAL

The Federation is seeking a successor to Mr L. A. Woodburn-Bamberger who is retiring on December 31, 1984.

Persons interested in being considered for this office are invited to write, in confidence, to the President at Clareville House, Whitcomb Street, London WC2H 7DL, not later than August 12, 1984.

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HAMPSHIRE

Investment
Manager

Based in Winchester
Salary c£17,000 per annum

This is an opportunity to manage the portfolio of one of the ten largest local authority superannuation funds in the country.

The responsibility for management of this fund of £300m is shared between external advisers and an "in-house" manager. Subject to the overall approval of the trustees, investment strategy is determined in consultation with the advisers, while day to day management is the responsibility of the manager.

The offices are located centrally in the historic cathedral city of Winchester which lies close to the New Forest and South Coast but is within one hour of London. They are equipped with Topic and comprehensive data processing facilities and a full-time investment Analyst and other staff support the manager. Regular personal contact with the City is an essential part of the arrangement.

Qualities sought of applicants include:
graduate and/or professional qualification
minimum 4/5 years experience in management of institutional funds
proven record of competence and above-average performance
ability to interpret market analysis
ability to communicate well and prepare concise written reports.

Application forms and job description are obtainable from Peter Newman, Treasurer's Department, The Castle, Winchester SO22 8JG, who would be available for informal discussion (tel: Winchester 53676 or 54411 ext 7264). Closing date for applications is 24th August 1984.

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Please reply in writing with full details of experience. No phone enquiries please.

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We are the U.K. Representative of a large international group and we are currently looking for someone who will be able to assist the Investment Manager in all aspects of portfolio management. Responsible to the Investment Manager, the successful candidate will be primarily concerned with U.K. equities but will be expected to assume further responsibility within a reasonably short period of time.

Applicants should be preferably in the 23/26 age range and should have a minimum 2/3 years investment experience gained with a stockbroking firm or other established investment organisation.

A competitive salary will be paid related to experience and to job performance. Benefits include 5 weeks holiday, interest free season ticket loan and subsidised mortgage facilities on qualifying.

To apply please send your current C.V. to:

The Investment Manager,
New Zealand South British
Insurance Plc.
119-119 Finchchurch Street,
London EC2M 5BB.

Tel: 01-623 2174.



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These appointments are with an investment company in Yorkshire which has substantial financial resources. Its dynamic and very professional management team is being expanded to meet a rapidly increasing demand for development capital funding.

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The Investment Manager, reporting to the MD, will appraise investment opportunities, construct and negotiate an agreed financing package, present an investment submission and - if agreed - implement and monitor the investment. Candidates, probably in their 30's, will be graduates, possibly with additional business qualifications. They must have wide-ranging business experience, likely to have included line management and profit responsibility; well developed commercial acumen is essential.

INVESTMENT ANALYST £14,000

The role is to support the Investment Manager in assessing enquiries and in appraising and monitoring investments. Candidates are likely to be graduates in their late 20's, possibly with additional business qualifications. Their early business management experience will have given them a good working knowledge of financial controls in manufacturing companies, an appreciation of business funding and an

interest in gaining front-line appraisal and investment experience.

INVESTIGATING ACCOUNTANTS £14,000

Their main tasks will be to carry out detailed investigations - operational as well as financial - of companies and their business and to assess the financial viability of proposed investments and projects.

Candidates are likely to be graduate Chartered Accountants, age 25-28, with post-qualification experience of investigation in a large professional firm, in banking or in industry.

SOLICITOR £14,000

The role is to assist in carrying out the company's client-related legal work. Candidates should be graduate Solicitors with 2-3 years' post-qualification experience with a strong bias towards company/commercial law and with a background which includes property matters.

Benefits in all cases include excellent pension arrangements and assistance with relocation.

Please write in confidence - with full career details to D. A. Ravenscroft at Bull, Holmes (Management) Limited, 20 Albert Square, Manchester M2 5PE.



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£20-25,000

Our client, a well respected City institution, seeks applications from graduates with several years' UK experience of negotiating major asset finance, encompassing project/export finance and leasing. First class marketing skills are essential, together with the technical ability to undertake the pricing, structuring and documentation of assets/projects in the £2 million to £20 million range.

Preference will be given to applicants possessing an ACA or legal degree, aged c 32 years, who demonstrate excellent interpersonal skills and a flexible innovative approach to changing market conditions.

The financial package offered generously reflects the experience and ability required.

Please telephone or send detailed curriculum vitae to Jill Backhouse or Brian Gooch. All applications will be treated with strict confidence. Jonathan Wren & Company Ltd., 170 Bishopsgate, London EC2M 4LN. Tel: 01-623 1266.



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Please telephone Jo Heigho on 01-626 6525 for an application form or send a detailed c.v. to her at Tate & Lyle PLC, Sugar Quay, Lower Thames Street, London EC3R 6DQ.



Tate & Lyle

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The work will be varied and involve responsibility at an early stage.

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Investment Manager
Municipal Mutual Insurance Ltd
25/27 Old Queen Street
Westminster, London EW1H 9HN

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Bristol 0272 777315 30 Baldwin St.
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Glasgow 041-332 3672 180 Hope St.
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The one who stands out

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The position will be demanding and require a unique individual who is both mature and highly motivated. It will involve travel to the U.S. headquarters in Palo Alto, California. Salary will be negotiable according to the experience of the successful candidate.

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Mrs J M Lemon Micro Focus Group Plc 26 West Street
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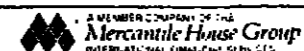
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or by telephone on 01-236 0233



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Candidates must be qualified accountants aged over 30, with considerable financial management experience in a manufacturing industry. Significant involvement with job costing and the development of computerised systems would also be desirable.

Personal qualities must include a determined but agreeable personality, together with a high degree of business acumen.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Kevin Rotherham, quoting reference 1357/FT on both envelope and letter.

Deloitte Haskins + Sells

Management Consultants
128 Queen Victoria Street, London EC4P 4JX

Director of Finance

North Surrey

c. £28,000+ car

The installment credit and equipment finance subsidiary of a major US financial institution offers a broad range of financial services to both the consumer and the industrial sector. Further expansion and diversification must be matched by the appropriate strengthening of senior management.

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Financial sector experience is not essential. We seek a qualified accountant, aged

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Please write in confidence, enclosing career details and quoting reference 5045/L, to N.P. Halsey, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria St., Blackfriars, London EC4V 3FD.

PEAT MARWICK

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Total Oil Marine currently supplies almost 40% of the UK's natural gas requirements through the Frigg System and is a substantial North Sea operator committed to an expanding programme of offshore activity. We are now developing the Alwyn North Field as an important new source of both oil and gas for Britain. Following the centralisation of the company's audit activities, we are looking for an auditor with 2 or 3 years' oil-related experience to join our existing team based in our head office in London. Reporting to the Corporate Head of Audit, you will be required to undertake outside partner audits in addition to having internal audit responsibilities.

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FINANCE CONTROLLER

LOCATION S.E. LONDON, EXCELLENT SALARY

We are a fast-expanding chain of Wine Superstores privately owned by a well-established importer and wholesaler of Wines and Spirits. Group turnover £30m. We are looking for a recently qualified Accountant or part-qualified with Retail experience. The successful candidate will be expected to take responsibility for the whole financial function and will prepare accounts for Management and Audit, Budgeting and Computer development are also key factors. The working environment is informal within our young, dynamic and enthusiastic team. Your contribution will be vital to the future success of the business and only positive-thinking, hard-working self-starters need apply. Applicants should write with full C.V., current salary and recent photograph to: Gordon Haylett, Finance Director, BOTTOMS UP RETAIL LTD., 40 Victoria Way Charlton, London SE7 7QS 01-853 2144

"Bottoms Up" A different kind of Wine Shop

TAXATION ACCOUNTANT

Central London

Circa £16,000 + Benefits

Our client is a major UK group having diverse interests both in the United Kingdom and overseas.

They are now seeking to recruit a Taxation Accountant who will become a member of a small highly-skilled team of tax specialists at their group head office. This is an ideal opportunity to join a major group which can offer excellent experience and prospects for career progression.

The successful candidate will be involved in compliance work mainly of UK companies, the preparation of taxation figures for management and the statutory accounts, and assistance with the group's tax planning. Some experience of micro computer applications would be useful.

Candidates for this appointment will be qualified accountants, aged in their mid to late 20s who have a sound working knowledge of corporate taxation gained in either public practice, commerce or industry.

Written applications enclosing career details should be submitted, in the strictest confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4690.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street,
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIA
Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants



Young Accountants

Exceptional Career Opportunities



North West

£ excellent

Our client is a major manufacturing division of ICI PLC.

Further development of the business has created the requirement for 2 young accountants of exceptional ability. The initial roles will have a management accounting bias, but these are essentially long-term, career appointments with opportunities for rapid advancement to executive-level positions throughout the company's international operations.

The successful applicants will be graduate accountants (ACA/ACMA) aged 23-28, who can demonstrate highly developed inter-personal skills, coupled with the intellect, drive and ambition required to succeed in a highly competitive environment.

A substantial five figure salary package will be negotiated and will not be an obstacle to the right candidates. Comprehensive relocation facilities are available where appropriate.

Interested applicants should contact Alan Dickinson quoting ref. 6985 on 061 228 0396 at Michael Page Partnership, Faulkner House, Faulkner Street, Manchester M1 4DY.

MP
Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Challenging opportunity with a go ahead high tech group...

HEAD OF DEVELOPMENT ACCOUNTING — COSTING

London

Circa £22,500 + benefits

Our client is a successful organisation involved in the manufacture and supply of high technology products and services, specialising in the fields of advanced telecommunications and computerised information systems.

They are now seeking to recruit a Senior Accountant to head up their costing development area for both products and services.

The successful candidate will be a qualified accountant who will have had several years previous experience of developing and running complex computerised costing systems. It is likely that candidates who have the relevant experience will be aged between 30-40 years. This position offers excellent prospects for future career development.

Written applications containing career details should be forwarded, in confidence, to Richard Norman, F.C.A. or Robert Collier, at our London address quoting reference number 4688

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street,
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIA
Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants



CONTROLLER OF FINANCE

City of London

to £20,000 + car + benefits

Our client, a prestigious International investment banking and securities firm are keen to appoint an ambitious qualified Accountant to assume financial management responsibility within two of their successful UK based subsidiaries.

This newly created position offers an ideal opportunity to join a highly respected banking group, with excellent prospects for career development.

Candidates aged 27-35 years, will preferably have a sound working knowledge of banking or commodity trading. Personal qualities will include strong communicative skills, team spirit, the ability to work effectively under pressure and a desire to succeed within a demanding environment.

Written applications enclosing Curriculum Vitae should be forwarded, in confidence, to Robert N Collier or Neil Gillespie at our London address quoting reference number 4672.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744
Brook House, 77 Fountain Street,
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIA
Douglas Lambias Associates Limited
Accountancy & Management
Recruitment Consultants



Financial Consultant

For Arthur Young McClelland Moores & Co.

Up to £20,000

North East
England

We employ 2400 staff throughout the United Kingdom providing a complete range of consultancy, tax and audit services to a broad spectrum of clients in industry, commerce and government. Our consultancy group in the Northern Region has developed rapidly and now consists of more than 60 consultants covering all management disciplines.

We are now making appointments in the Newcastle Area to strengthen further our consultancy group, particularly in the area of financial and management accounting. We require fully qualified accountants

with a minimum of 5 years practical experience in industry, commerce or the public sector. The background should include a period of formal management within a well organised company or group.

Age: 33+. Location: Newcastle.

Please write in complete confidence to Dennis R. M. Hardie.

Arthur Young McClelland Moores & Co.
Management Consultants,
Northam House,
12 New Bridge Street,
Newcastle Upon Tyne NE1 8AD.



Arthur Young McClelland Moores & Co.
A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Old-established City of London Merchant Bank requires

CHIEF ACCOUNTANT

This appointment is to the Bank's Senior Management. In charge of the whole of the Bank's accounting function, this Manager reports direct to the Managing Director.

The Bank is steadily expanding its existing business, which is widely diversified, and actively examining new types and fields of business. It has extensive computerisation and management information systems.

Applicants must be a Chartered Accountant of the English or Scottish Institutes, preferably with a university degree, and have extensive experience of Bank accounting. The successful applicant will probably be aged between 30 and 45. He/she will be innovative and will contribute widely to the Bank's management discussions and to its forward planning.

This appointment carries a salary up to £30,000 and the customary benefits.

Applications, which should state the name(s) of any bank(s) to which the application is not to be passed, should be addressed to:

Mr Peter Thring
ERNST & WHINNEY
Becket House, 1 Lambeth Palace Road, London SE1 7EU

Accountancy Appointments

Chief Accountant Gloucester c£20,000 + car

Trident Life is one of the major Unit Linked Life Offices. Part of a very successful £4bn US corporation, the company has grown rapidly to £260m of funds under management and has ambitious plans for substantial future growth.

A high calibre Chief Accountant is now sought with the experience and ability to help inspire and control this expansion at a senior level.

Reporting to a main Board Director the successful applicant will take full responsibility for accounting, internal control procedures and taxation.

The prime objective is to provide reliable management information, allowing business decisions to be made quickly and with confidence. Maximising the use of cash resources and involvement in planning strategic growth will present further challenges.

Candidates must be qualified Accountants aged around 35, who can demonstrate a successful career in a progressive, profit conscious environment, involving sophisticated financial reporting.

The successful applicant will need to have a professional, enthusiastic and participative approach and above all, a commitment to achieving tangible results. Experience of insurance or a financial institution would be useful.

Please write with comprehensive personal and career details to: Mr. A. Austin, Group Personnel Manager, Trident Life Assurance Co. Limited, London Road, Gloucester GL1 3LE.

Trident Life

A member of the Generali Group

Financial Controller

C£22,000 + Car Retailing

A major UK retailer with well conceived strategies and a young management team requires a high calibre finance executive to join the team as Financial Controller.

The prime requirement is for a manager with the skill to develop further the management reporting techniques of a team of capable young subordinates, in addition to controlling resources. To the top management team the Controller should bring business sense, commitment, initiative and practical creativity.

An accounting qualification and personal experience of large scale retailing systems using mainframes and micros are essential.

The headquarters location is in the Home Counties, with relocation assistance available as required. Age guide is 30-35.

Please apply in confidence, quoting ref. L 130, to:

Brian H Mason
Mason & Nurse Associates
1 Lancaster Place, Strand
London WC2E 7EB
Tel: 01-240 7805

Mason & Nurse
Selection & Search

Personal Financial Planning

Growth Opportunities

The City Up to £25,000 + Car
Increased demand and market opportunities for the services provided by our Personal Financial Planning Group have created vacancies for additional staff at both consultant and assistant consultant levels.

Primarily we are seeking those who possess technical flair in this field, the personal qualities to develop the activity on a wider front and, above all, the desire to provide a comprehensive client service.

The Group's activities include personal tax, pensions, insurance, investments and financial planning advice and guidance. It is unlikely that candidates will have knowledge of all these areas but a breadth of expertise in the PFP field or alternatively a depth of technical competence in at least one area is essential.

Salaries and conditions are totally dependent upon experience but the career prospects are excellent for those who can demonstrate the skills to develop in this high growth field.

Please apply in writing giving concise career details to:
Miss Penny Alison, Director of Personnel,
186 City Road, London, EC1V 2NU.

ROBSON RHODES

FINANCIAL CONTROLLERS

Opportunities in a high-tech, world-wide operation with a fast expanding European Division.

Allen-Bradley is one of the world's leading manufacturers of industrial automation and process control equipment, providing solutions to control problems in every type of manufacturing and process environment. Our products are acknowledged to be at the very forefront of automation technology. Allen-Bradley is seeking to strengthen its management team by the recruitment of:

Financial Controller -

Allen-Bradley Europe B.V. - Amsterdam

Allen-Bradley Europe B.V. is responsible, both directly and through eight national sales companies, for sales, marketing, distribution and technical support activities across the whole of Europe (except UK, Germany and Austria), the Middle East, North Africa and South Africa.

The Financial Controller, reporting to the Managing Director, but with a strong functional responsibility to the European Controller in the UK, will provide a full finance and accounting service to this Group. Key responsibilities include consolidated reporting (to the European Headquarters in Henley, England), for Europe, Tax Direction and Planning, Data Processing and MIS (linking in to a mainframe in Henley), Foreign Currency Management, Forecasting, Budgeting and Financial Planning.

Strong candidates will be fully familiar with accounting practices and finance management in

a multi-national context, be decisive and aware of the need for integrity and consistency in financial reporting, and capable of operating successfully within a heavily sales-oriented operation. Higher educational qualifications are highly desirable; professional accounting qualifications essential.

Financial Controller -

Allen-Bradley South Africa - Johannesburg Area

Reporting to the General Manager in the Johannesburg area, but with a strong functional link to the Europe B.V. Controller in Amsterdam, the man or woman appointed will provide a total financial management and accounting service to this very new Allen-Bradley subsidiary company. The role provides the opportunity to assist in setting-up and consolidating the business, and helping it grow to meet demanding targets and projections.

The successful candidate will have good general accounting experience (preferably gained in a small subsidiary of a multi-national company), be used to working as part of a team, and enjoy a fast growth, pioneering role. Professional qualifications are essential.

Applications for both positions are invited from any candidates who believe they can meet the specifications, and who seek an exciting challenge in a very fast-moving industry. Complete fluency in English is essential; other European languages could be advantageous. The compensation package will include a first class salary, car or car allowance, and full relocation.

Please send your c.v. in confidence to the Company's
Advisors:
Robert Wilson, Thompson Associates Limited
232 Portland Road, London SE25 4SL
Tel: 01-856 8323 Quoting Ref: AB 2018.



T.A.L.

GROUP FINANCE DIRECTOR

West Midlands c. £20,000 p.a. + car + benefits

Our client is a long-established, quoted Group with subsidiary companies in several sectors of the engineering industry. Having recently completed a major acquisition which has increased Group turnover to £15m, they now wish to appoint a Finance Director who will be a key member of the Group Board and make a significant contribution to business strategy during an important stage of the Group's development.

Candidates—minimum age 35—must be qualified accountants with several years wide-ranging financial management experience in a manufacturing environment, preferably at Board level. They will have the ability, energy and determination to take immediate responsibility for the Group's financial effectiveness and evidence of success in profit and cash generation improvement would be particularly valuable.

Remuneration will include a range of attractive benefits and relocation assistance if necessary.

Please send full career details quoting ref: 143/G to Mr. J. D. Gilbertson.

BBS

Bamford Business Services Limited
Bamford, Sheffield S30 2AU

INTERNAL AUDIT WITH THOMSON

A qualified accountant is required for the internal audit department of Thomson Information Services Limited, a division of the International Thomson Organisation. Based in WC2 the job involves frequent visits to the operating companies which are based both in the U.K. and overseas. Good holidays and terms of employment. Salary around £12,500.

Please apply with detailed curriculum vitae to Noel Clery
Thomson Information Services Limited, 83, Lincoln's Inn Fields, London WC2A 3JX

GROUP FINANCIAL DIRECTOR (DESIGNATE)

MANCHESTER c. £20,000

A rapidly expanding and successful private group of companies (turnover £9m), with activities in property development, construction, storefitting and leisure, wish to strengthen their senior management team with the above appointment. The successful candidate will be expected to control the total finance function of the group including the procurement and investment of funds.

Applicants, suitably qualified chartered accountants aged 35-45, with experience, should send C.V. to:

Managing Director, MERIDIAN HOLDINGS LTD,
Brook House, 77 Fountain St., Manchester, M2 2EE.

CHIEF ACCOUNTANT

Promotion within this consumer group, market leaders in their field, has created a vacancy for a Chief Accountant. Reporting directly to the Financial Director, the job holder will assume overall responsibility for the entire group's accounting functions, and will control some 25 staff. Joining the senior management team, and translating all financial matters to the business side of the company this appointment fulfils a liaison role with non-financial management. Career prospects within the group are excellent, the role suiting a young, qualified accountant seeking a move towards general management.

N. SURREY. Ref: GR c.£17,000 + Car

TAX/CORPORATE PLANNING

An exceptional opportunity for an ambitious accountant to perform a progressive financial and tax role within an international, high-tech company. The successful candidate will join a small, professional team responsible for the statutory and fiscal accounts of operating subsidiaries throughout Europe. You will be directly involved in systems and tax reviews, international tax planning and monitoring developments affecting European operations. This highly visible position offers considerable exposure to senior management, rapid promotion prospects plus overseas travel. The importance of this appointment is reflected by an attractive salary package.

C. LONDON. Ref: JG Salary Neg.

ROBERT HALF
FINANCIAL RECRUITMENT SPECIALISTS
ROMAN HOUSE, WOOD STREET, LONDON
EC2Y 5BA. 01-636 5191

CHIEF ACCOUNTANT

This is an exceptional opportunity to join the highly professional executive team of Britain's premier port. The person appointed must be fully qualified to either Chartered or Certified level and be able to demonstrate ability and flair based on sound technical background. Large company exposure with significant experience as the head of an accounting function with full staff control will be a necessary requirement.

Extensive experience of computer based accounting systems both in terms of their development and maintenance will also be required together with in-depth experience of financial and management accounting.

The successful candidate reporting to the Finance Director, will ideally be aged 30-40, have a proven success record and the ability to work within tight time scales.

For the right person we will offer an extremely attractive salary plus a company car and other first class benefits. Assistance with relocation costs will also be provided.

Please telephone for an application form which should be returned with your comprehensive c.v. to

Secretary to Chief of Personnel
European House, The Dock,
Felixstowe, Suffolk IP11 8TB.
Tel: Felixstowe (0394) 604500 or
Felixstowe (0394) 604647 (direct line)

Port of Felixstowe

Finance Executive

City £25-30,000 package

Our client is a major international bank with a substantial domestic and overseas network. Actively involved in the fields of international banking and capital market dealing, they are expanding their UK operation and currently require a finance executive to fulfil a senior role.

Based at the London Head Office, this unique appointment will incorporate a wide range of financial and administrative responsibilities in relation to company secretarial duties, UK personnel matters, management accounting and the appraisal and development of new accounting systems.

Candidates aged 30-35 will be Chartered Accountants with an outgoing personality and the potential to maintain a high standard of performance in a challenging international environment. Previous exposure to a banking background is not essential.

A highly attractive remuneration package together with a company car and substantial bonus will be offered to the successful applicant.

Candidates should write to Andrew Sales, FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 147, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York Bristol
Birmingham Manchester Leeds Glasgow

Financial Director (GENERAL BUSINESS ACUMEN)

to £23,000 + car
LONDON W.1.

Part of a distinguished and privately owned British group, this company is long established, highly profitable, and has a first class reputation within its industry for producing quality products. The company is expanding by acquisition into a new area which will complement its existing business.

The Board now seeks a qualified accountant (aged 38-45) with broad commercial experience and a proven record in general management, to join its senior management team.

Whilst the primary responsibility of the post is to head the finance function, the appointee will equally be expected to make a direct impact on the overall performance and development of the company and the job will entail regular visits from the H.O. in London to the main manufacturing unit in Kent. More specifically, an immediate task will be to review existing in-house computer systems and standardise reporting procedures.

There will be every opportunity to conceive & implement new ideas and as a key figure within the organisation, the Financial Director will be eligible for the company's profit sharing scheme.

NKB Associates Limited 159A Gloucester Road, London SW7 4TH
01-370 2012/3
All enquiries will be treated in the strictest confidence.

Accountancy Appointments

Audit Senior (Internal Audit)

City based Salary negotiable

This is an exceptional opportunity for an ambitious young accountant to join our Internal Audit Team. He/she will be one of a small team of Audit Seniors, operating with three assistants and reporting to the Chief Internal Auditor.

In addition to carrying out a variety of audits, duties will include the updating of audit programmes and procedures, initially in the accounting field, and to monitor the economy, efficiency and effectiveness of the systems. The emphasis throughout the organisation is operational audit.

Although based in London the successful applicant will be initially expected to spend a period of time at Newbury, after which overseas travel may well become a feature of the appointment. Internal promotion could be expected within 2/3 years.

Applicants should be Qualified Accountants with 1/2 years' experience in a bank or in the securities industry. Previous Internal Audit experience is not mandatory. Finalists with strong relevant experience will also be considered.

An attractive salary will be negotiable and the benefits package will include a subsidised mortgage, BUPA, non-contributory pension and free life assurance.

Suitably qualified applicants should write enclosing a full curriculum vitae to:-

Mr A. J. Hatton-Gore, Personnel Officer,
Kleinwort Benson Limited, 20 Fenchurch Street, London EC3P 3DB.

Kleinwort Benson
The International Merchant Bank

SENIOR CORPORATE EXECUTIVE

Jersey

Our clients are a privately-controlled international group with operations in the U.K. and overseas, and with a corporate Secretariat in Jersey. They seek to strengthen the corporate management by recruiting an able executive experienced both in law and accounting.

The principal tasks will include the management of the St. Helier office, the drafting of legal documents, the provision of general legal advice and the preparation of consolidated accounts for the group.

Candidates, preferably aged 30 to 45, should hold a recognised qualification in Law and Accounting, should have a creative and positive attitude to their work and must be prepared to undertake frequent travel in Europe and occasionally elsewhere. They should ideally have experience of U.S. Corporate, tax and banking practice. The location of the Secretariat will be reviewed (in conjunction with the appointee) during 1987. The remuneration package, including salary, the provision of limited accommodation in Jersey and appropriate benefits will be negotiated.

Applicants should write with full details of previous experience and salary history, quoting reference L 2089 to John Hills at:

Annan Impey Morrish
Management Consultants
40/43 Chancery Lane, London WC2A 1JJ

A.I.M.

(Recruitment Consultants)

Financial Controllers

Cambridge £20,000 + Car

As a result of recent expansion our client, an engineering group (T/O £38m), seeks to recruit two qualified accountants (26-45). Experience acquired within similar or manufacturing organisations preferred. An ACA, must have worked within the top 20. Full relocation expenses will be considered. Ref: KD/4803.

Production Accountants

Nr. Weybridge/Farnborough £19,000

Our client, successful U.S. electronics group, requires two qualified accountants (24-38) who have acquired experience within similar companies or engineering organisations. Applicants straight from the profession will be considered. Benefits include full relocation. Ref: EJ/4808.

Financial Controller

Nr. Oxted c. £18,000 + Car

A leading UK engineering organisation seeks to recruit a qualified accountant (25-45). Experience acquired within engineering/manufacturing organisations would be ideal. Basic tasks include full control of the finance function and systems development on computers. Ref: DH/5889.

RING US NOW FOR FURTHER DETAILS

Deboo Executive

19/21 Wilson Street, London EC2M 2TA. Telephone: 01-428 2714

Oil Company Accountants

Occidental International Oil is offering opportunities for young and ambitious qualified or near qualified accountants to join our London office.

Financial Accountant

An ideal first post qualification appointment for a newly qualified ACA, ACCA or equivalent. The successful candidate should be career orientated and able to demonstrate initiative and independence and possess a sound knowledge of statutory and general accounting principles.

Assistant Budget and Planning Accountant

Responsibilities will include presentation of operational and financial data for monthly management reports, annual and strategic plans for US and UK management. The position offers a great opportunity for innovation and independence within a fast moving department.

The successful candidate is likely to be between 25 and 35 years, ACA, ACCA or an equivalent qualification (or finalist) and preferably with budget, planning and forecasting experience gained within the UK oil industry.

We are offering a highly competitive salary, London weighting and luncheon allowance and an interest free season ticket loan together with the usual benefits expected of an international company. Please write in confidence giving brief career and personal details to:

Miss J. Cornelia, Occidental International Oil Inc, 16 Palace Street, London, SW1E 5BQ.

OXY

FINANCE DIRECTOR

DESIGNATE

CONSUMER ELECTRONICS
MANUFACTURING GROUP
CAMBRIDGESHIRE

Initially to £20,000 p.a.
Age: Late 20's/Early 30's

Outstanding opportunity for graduate, qualified accountant, experienced in computer applications, to complement young dynamic management team in rapidly expanding manufacturing group.

Factory based. Initial responsibility to implement integrated computer accounting, production and management information systems. Thereafter, to oversee entire financial control function. Successful applicant would become deputy MD and in due course MD of a major group company.

Requirements: tireless energy and drive, dedication to hard work, top-grade qualifications, 3 years' computer experience.

Please reply to Box A.2705
Financial Times
10 Cannon Street, London EC4P 4BY

PROSPECTIVE TAX PARTNER

We are a medium-sized firm of Holborn Chartered Accountants and are looking for a young tax manager to deal with personal and corporate work.

Candidates should ideally have trained in a small to medium-sized practice and have at least three years post-qualification tax experience in a medium to large practice.

A generous remuneration package with early partnership prospects is offered and applicants should forward their full C.V. to:
Box A2701, Financial Times
10 Cannon Street, London EC4P 4BY

QUALIFIED CHIEF ACCOUNTANT

£12,000 p.a.
plus company car

WALLS OFFICE
FURNITURE LTD.
Phone: 01-500 5501
Addr: Mr. P. Savory

ARTHUR BELL & SONS plc

SCOTCH WHISKY DIVISION

CHIEF ACCOUNTANT

This is an opportunity with a Company whose philosophy creates excellent career prospects for young, high-calibre Executives. The Company has a very impressive growth record and is a market leader in the Scotch whisky industry. The person appointed will be responsible for all management and financial accounts and will be required to take a very positive role in the use and interpretation of accounting information for the guidance of Company management. The person appointed will also be responsible for the consolidation of the results of subsidiary companies operating in the field of hotels, glass container, transport and overseas subsidiary companies.

The successful candidate will report to a main Board Director and will be expected to have the potential for further personal development. Candidates in the age range 35-40 must be fully qualified accountants who can demonstrate ability, flair and a strong desire to succeed in a demanding environment.

The starting salary is negotiable in the order of £25,000 plus company car and other first-class benefits. Assistance with relocation costs will also be provided.

Please address applications "Private and Confidential" to:

The Administration Director
ARTHUR BELL & SONS PLC
Cherrybank, Perth PE2 6NG

WALES4CYMRU

FINANCIAL STRATEGY AND BUSINESS DEVELOPMENT

SAC (which provides a TV service in Welsh and English on the Fourth Channel in Wales and has three commercial subsidiaries) requires a financial planner for its small and highly motivated Legal Services and Financial Planning Department.

This is a key post within SAC and will attract an ambitious and able person, who has an interest in Welsh television and seeks to advance his/her career.

The successful candidate may well be a qualified Accountant but applications will be welcome from others having relevant academic, business or financial qualifications. Practical commercial and corporate finance experience is necessary, as are good communicative skills and aptitude for constructive financial thinking.

The preferred age range is 25-35.

Salary - negotiable around £15,000.

Further details and application form (to be returned duly completed by August 24 1984) from:

Mrs. Mair Owen,
Executive Assistant,
SAC,
Sophia Close,
Cardiff CF1 3XY.
(tel. (0222) 43421)

CHIEF ACCOUNTANT

£14,250 + CAR NR. GUILDFORD

We are a profit-orientated organisation engaged in distribution and are part of a substantial privately owned industrial group. Turnover is £15m and further expansion is planned.

Applicants should be qualified accountants who are looking for an opportunity to work as part of a dedicated management team. The successful candidate will be enthusiastic, positive and used to meeting tight deadlines whilst working under pressure.

The remuneration package, in addition to the salary quoted, will include a company car, profit share, contributory pension scheme and BUPA cover.

Please send detailed curriculum vitae to:

E. G. Cooke, F.C.A.,
NEWSHIP GROUP LIMITED,
Send Marsh Works, Ripley, Woking,
Surrey, GU24 6LD.

Accounting in a new financial operation

London c.£12,740 (under review)

National Networks is a multi-million pound turnover division of British Telecom. It has been created to handle the business of the Trunk Services Telephone Network and other Specialised Services such as Telex and Private Circuits. It operates through nine districts situated throughout the country, each of which reports to London HQ for accounting purposes. To deal with the accounting requirements at HQ a Central Finance Department has been set up and as a result the following new posts are being created:

Assistant Administrative Accountant

To assist the Administrative Accountant with the consolidation of operational units' management accounts. In addition the successful candidate will oversee the running of our financial accounts unit with functions including transfer charging, general and sales ledgers, general HQ financial accounting duties.

Budget Accountant

To act as the central liaison point for National Networks' financial plans, co-ordinating the divisional operating inputs and preparing information for senior management. The person appointed will also contribute to the development and introduction of new financial planning and budgetary systems involving mainframe and micro-computers.

Assignment Accountants

To complete a small team engaged in introducing accounting systems for the division. The post-holders will undertake specific assignments to recommend new systems, handle implementation and commence operation. Projects currently in hand include the introduction of a computerised general ledger package to provide comprehensive and auditable financial reporting and the development of common reporting formats for the operating units.

Applicants for all the above positions must be qualified accountants (ACA, ACCA or ACMA) preferably with industrial or large accounting firm experience. The ability to work to tight timescales in a constantly changing environment is essential.

Salaries, including London allowance, are age related, e.g. £12,740 at age 27 or over, rising to a maximum of £16,322, under review.

There are good prospects of promotion within British Telecom for those who prove their ability.

For an application form, please contact Mrs Mary Bennett on FREEPHONE 2257, or write to her at British Telecom, LCS Selection Unit, LCS/P3.2.1.2, Room 1119, 151 Gower Street, LONDON WC1E 6BA. Please quote ref. FT.

British
TELECOM


National Networks

ASSISTANT TO FINANCE PARTNER

c.£16,000

Our client, a large stockbroking partnership, seeks an ACA (mid to late 20s) with partnership potential. Some experience of the accounting, systems and tax affairs of brokers useful.

FINANCIAL CONTROLLER

LONDON c.£14,500 + Car

Our client, an expanding international design consultancy, seeks a bright, polished, young ACA with some ppe for a challenging position. (Ref GJFS 50).

FINANCIAL ACCOUNTANT

CITY c.£13,500

This Lloyds broker seeks a young newly qualified ACA for a role involving accounting and systems development. (Ref RM 16.)

INTERNAL AUDITOR - CITY

To £13,500 + Mort.

Our client, a merchant bank in the forefront of current developments in the City, requires a newly qualified CA or confident finalist for an interesting role looking at all aspects of the bank's business.

Badenoch & Clark

RECRUITMENT CONSULTANTS

5-18 New Bridge Street, London EC4 Telephone: 01-353 186

Crabtree & Evelyn® LONDON

FINANCIAL CONTROLLER

NEAR OXFORD
£20,000 PLUS CAR AND OTHER BENEFITS

Crabtree & Evelyn has been established for over ten years, marketing high quality toiletries and foods in the UK, Europe, USA and major export markets.

We are seeking a commercially minded qualified accountant aged 35 plus, with a proven achievement in a senior position, including experience in computerised systems and staff management.

He or she will be developing accounting systems, including foreign currency management and budgets for the company and its overseas subsidiaries. The successful applicant will have overall responsibility for 30 staff and will report to the Managing Director.

The position will require travel within the UK, Europe and possibly the USA.

Apply in writing with full career information to: M.H. Yude,
Howard James & Company, Martin House, 84-86 Grays Inn Road,
London WC1X 8AA.

GROUP ACCOUNTANT

Mainly retail motors. The many responsibilities to include Secretary of seven companies and to assist the Group Managing Director with careful expansion and application of monthly management accounts.

Write Box A5707
Financial Times
10 Cannon Street
London EC4P 4BY

Appointments wanted

STOCKBROKERS

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MANAGEMENT: Marketing

"IT IS a good market this year. Lots of insects and bugs and we are shooting for 35 per cent of it," says Jim Hudson, who is leading ICI's attack on the cotton boll weevil, saltmarsh caterpillar, lygus bug and the dozens of other insects which are eating away at America's cotton crop this month.

ICI, Britain's biggest chemicals group, launched its latest insecticide, known as Cymbush, into the U.S. cotton market, less than two months ago. It is already the market leader and the company says that it is 200 per cent ahead of its sales budget. The overnight success of Cymbush highlights the rich pickings which can be had in the U.S. agrochemicals business. If a company strikes lucky, but it also underlines the speed with which existing products can become obsolete.

U.S. farmers spend upwards of \$4bn a year on plant protection chemicals. Nevertheless, American weeds, insects and assorted pests, destroy an estimated \$20bn, or close to a third, of all U.S. crops each year, and some three dozen insects and the soybean herbicide market, led by the likes of Monsanto, Eli Lilly, and Ciba Geigy are locked in battle for the dominant share of the U.S. plant protection market.

While the U.S. agrochemicals market is the single most important in the world, accounting for close to a third of the total worldwide agrochemical sales, it is also one of the most mature, with a long-term growth rate of 1.2 per cent per annum. In addition it is becoming an increasingly risky market to penetrate.

Dr Richard Herrett, the research chief at ICI's U.S. agrochemicals operation, says that the survival of a company in the market is very dependent on the ability to generate new agrochemicals and the chances of doing this are getting slimmer as each year passes. He estimates that in 1984 a company had to screen an average of 1,800 compounds to find a commercial success and this would take just under five years and cost \$1.2bn on average. This rate of attrition means that 25,000 compounds now have to be screened to produce a commercially successful product. In addition, the lead time has lengthened to between eight and 12 years and the cost anywhere between \$22m and \$40m to get to market.

If a company can find the right compound, it can transform its profitability. Monsanto, the industry leader, has two herbicides in its stable, Lasso and Roundup, which are generally reckoned to have produced \$1bn of its \$1.3bn agrochemical sales last year



The soybean crop on the right, treated with ICI's Fusticide, remains free of grass weeds that rapidly overtake untreated areas on the left.

ICI bites the boll weevil

William Hall explains how the UK chemicals group is achieving success in the U.S.

and virtually all of its profits. Eli Lilly's Treflan dominates the soybean herbicide market—the single biggest market in the U.S. for agrochemicals. ICI, although one of the world's largest agrochemical companies, is a newcomer to the U.S. market, but hopes that with a combination of good products and skilful marketing, it can catapult itself into the top five companies in the U.S. before the end of the decade. Its record to date is fairly impressive.

From a standing start in 1978, it is now selling \$300m a year of agrochemicals in the U.S. and ranks 15th in size in the domestic U.S. industry. Over the last five years it claims to have been the fastest growing company in the market and plans to hold on to the title over the next five years.

Although ICI's task of breaking into the U.S. market has been eased by the technical strengths of its laboratories at

Jealott's Hill in the UK and Goldsboro North Carolina—as important for ICI America, as Roundup and Lasso are for Monsanto. The advantage of Reflex is that it is much more selective in its effect.

Further down the line, ICI is working on a group of products known as plant growth regulators (PPG) where it believes it has a market lead and which it sees playing a key role in utility companies. U.S. utility companies, for example, spend \$600m a year pruning trees under high voltage power cables so that they do not cause problems.

By spraying the trees with Clipper PGR, ICI says that the growth rate of the tree can be curtailed thus reducing the need for pruning.

The same philosophy can be extended to orchard trees which are in need of regular pruning or household lawns which have to be mown regularly. With luck, ICI executives hope that their stable of new products, more than any rival can boast, will finally put the U.S. company into the big league.

sultants, many of whom have doctorates, occupy a fast-growing role in U.S. agricultural life, advising farmers when to spray their crops for insect effect.

The independent consultants, who are paid by the farmers for their advice, played a key role in the success of ICI's cotton pesticide, Cymbush. ICI made a point of working closely with the independent consultants for several years while it developed and tested Cymbush and stressed in its advertising that the joint effort had helped make Cymbush "the most thoroughly researched and tested cotton insecticide ever developed."

Last year ICI began issuing Cymbush on a selected basis to certain key farmers, known as "bell cows" because they played a key role in spreading the word around. The new product can increase crop yields by over 7 per cent in some cases.

ICI's efforts to work with its distributors rather than dictate how the product should be sold is also reflected in the emergence of its annual forums, where all its distributors have the opportunity to provide their personal input into the development of marketing plans for ICI's agrochemical products.

ICI's main weakness in the past has been its heavy dependence on insecticide products which only account for a fifth of the total U.S. market. It has been under-represented in the herbicide and weed control areas which is undergoing the greatest development.

Last year the group introduced Fusticide, a grass herbicide, and in 1984 it hopes to be marketing Reflex, which many people believe could be as important for ICI America, as Roundup and Lasso are for Monsanto.

The advantage of Reflex is that it is much more selective in its effect. Further down the line, ICI is working on a group of products known as plant growth regulators (PPG) where it believes it has a market lead and which it sees playing a key role in utility companies. U.S. utility companies, for example, spend \$600m a year pruning trees under high voltage power cables so that they do not cause problems.

Advertising

Flying high with a captive audience

Feona McEwan reports on airline magazines



HIGH LIFE, the in-flight magazine of British Airways, tells with glee the tale of the Arab gentleman who walked into an estate agent's office clutching an issue, pointed to an advertisement and said "I will take that." Asked if he wished to view the property, he shook his head and slipped a handful of notes on the table to clinch the deal.

Not all advertising in the sky is so obviously effective, but these days in-flight magazines are being more seriously considered than ever by airlines, publishers and—of more importance—advertisers as a useful medium for the international message.

Once they were simply shopping lists, duty free directories or the subject of a battle between the sick bag and the emergency procedure chart. Editorial content followed, advertising followed that and in the late 1960s the in-flight magazine had well and truly taken off.

Now no self-respecting airline, international or domestic, with a public profile to groom, and an eye for a promotional chance, is without its giveaway magazine, strategically placed in front of every passenger who takes a seat.

Air France's Atlas, Cathay Pacific's Discovery, Delta's Sky, Sabena's Sphere, KLM's Holland Hopper and British Caledonian's Let's Go have blossomed within the last few years into, often fat, seemingly healthy publications crammed with international advertising. A cursory glance at some of the latest issues reveals a near 50:50 balance of advertising to editorial. This is as true of the glossy Ulisse 2000 from Alitalia as of the workmanlike new Sky from Delta.

In-flight magazines have the natural asset that every traveller is, of course, a captive audience and figures show that the vast majority do bother to take a glance. The main target, though, for advertisers is the business community, which is the mainstay of air travel. This adds up to some eye-opening circulation figures. BA, for instance, reckons to carry some 1m passengers a month. B Cal 2.4m a year and Air France 250,000 a month.

Alexandra Goodard, a maga-

zine representative who handles a clutch of publications in the UK from El Al to Alitalia, Air France and KLM, reports that many are getting quite difficult to get into. "Most are fully booked well in advance," she says. Like many in-flight magazines publishers, High Life is full when it comes to figures, talking of "a good year" and a year by year increase in terms of revenue. However, its 1983 revenue figure, according to the media monitoring Rome Report, is \$3.5m. Air France's Atlas accrued \$4.4m in the same year.

Though not short on advertising, there is a call from some quarters for a joint effort to be made among in-flight magazines to offer advertisers easier access to any combination of titles—similar to the UK's Regional Newspaper Advertising Bureau or the Radio Marketing Bureau which handles the UK commercial stations.

At present advertisers frequently have to approach publications individually—thus, for instance, a Belgian advertiser wanting to use Air France's Atlas would have to contact Borchbuch, who handles the magazine, to approach each directly. The Americans, who have greater experience, have grouped themselves in such a way to allow easier access for advertisers. For instance, Air Group One is the body for Delta, NW Orient, Braniff, TWA, and Frontier which, through a number of agencies throughout Europe, encourages blanket buying.

However, there are signs of a European initiative with the setting-up—in name only as yet

—of the European In-Flight Association, which has a potential 30 or so members. Though embryonic, with members in disagreement on funding and priorities, the association aims to facilitate selling as a group and to undertake the kind of objective research on readership used by the Press and other media. Then, said one member, "we can rival Newsweek, The Economist, Time, and other business publications."

As the sky magazines have stretched their wings editorially, turning from barely disguised airline promotional vehicles to more rounded "good reads" (more entertainment, less of the sales talk), so the reader appeal has grown and advertisers have been enticed. The average readership figure banded about is from 50 to 75 per cent of all travellers.

Now rubbing shoulders with the international regulars, like the universally appealing Marlboro and Courvoisier, you will find the more sober heavyweights (banks and other financial institutions, business equipment, and even industry). The latest Let's Go, from B Cal, features Moore Govett (Jersey) mixing with Garrard, the crown jeweller, Phillips Petroleum, an energy supplier, and H. H. Horsham, near Gatwick.

"We're finding more and more that advertisers are coming from other areas," says Robert Newey, advertisement director of Let's Go. "It's the consumer surplus, hi-fi, cameras, cars." British Midland, currently switching publisher for its Voyager magazine, is steering its editorial and advertising towards the bus-

nessman, rather than the tourist with his scent-and-suntan bias, in line with its move away from holiday to mainline trunk routes.

High Life has been actively broadening its advertising base and has captured some banks (Grindlays, Bank of Credit and Commerce, Kuwait) and industry (British Telecom, Daf Trucks).

Few among the European offerings have the scope of the sleek fat Alitalia Ulisse 2000. This bilingual monthly, arguably the glossiest European sky magazine, is a reflection of the classy Italian paid-for publications with its ads for everything from Honeywell computers to Italian pasta, textiles to washing machines, Ferraris to Armani fashions.

Readership information is hard to come by with such a transient traffic though there are some telling trends around. B Cal, for instance, tells you that 84 per cent of all passengers read Let's Go for an average of 154 minutes, 58 per cent of all passengers are AE business-people; most don't take the magazine away with them. "It's magazine is very important to the airline," says Newey. "It's another part of the in-flight service which reflects the attitude of the airline, a measure of how the airline views itself."

High Life reckons it reaches some 10 per cent of UK businessmen and "some 50 per cent of the upper echelons of the worldwide business community." Air France reckons it gets to 17 per cent of all French senior executives, some 315,000 people, according to research done in 1982.

TECHNOLOGY

MOBILE COMMUNICATIONS FOR THE THIRD WORLD

Secrets of the Swaziland rover

BY ELAINE WILLIAMS

A LANDROVER crammed with computer and communications equipment has been travelling around Swaziland in Southern Africa for the past eight months to study ways in which these technologies can help the poorer nations of the world.

Headed by CAP, the computer and communications company, a group of about 10 organisations has developed an advanced mobile communications unit which can fit into the Landrover.

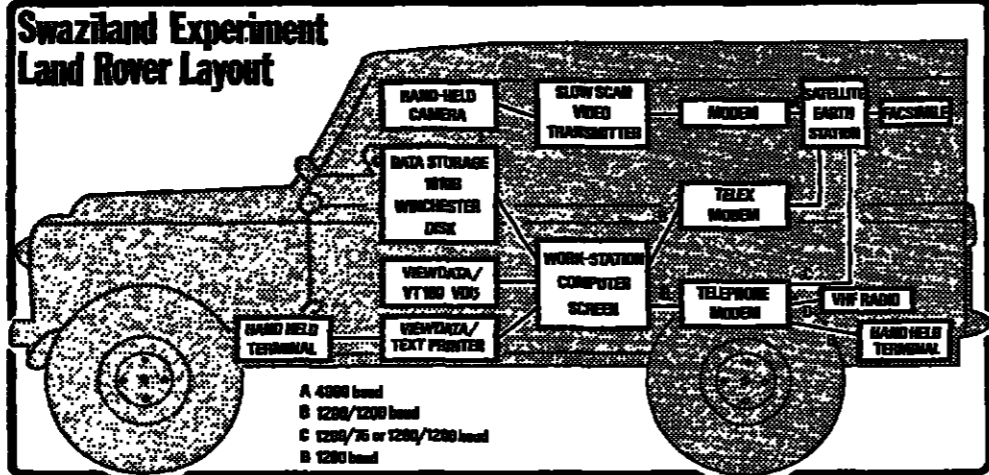
Members of the group were predominantly British companies. They contributed mainly to the project by supplying equipment and technical expertise. For example, Gresham Lion supplied slow scan television equipment, MSPAL provided some software, Information Entry contributed to the handheld data collection terminals.

The group has demonstrated that the vehicle's electronics can give third world almost unlimited access to a vast collection of computer databases held in the more developed countries. In tests, the Swaziland system has linked into medical and agricultural databases in Britain and the U.S. to give information about crops and human diseases relevant to the African state.

Inside the vehicle are several types of communications devices such as facsimile, telephone, telex, and data communications. VHF radio or satellites carry information to and from the vehicle. A personal computer allows data processing and controls communications. Slow scan television is also available for the transmission of images by satellite.

Inmarsat, the international maritime communications company which operates the worldwide sea satellite network is providing the space communications. This organisation is interested in the Swaziland project because it demonstrates the potential of satellite communications in disaster relief.

The mobile unit has potential in both the third world and developed countries for a host of different applications. For example, CAP engineers have demonstrated how the Landrover can be used for collecting medical statistics at village clinics around Swaziland. This has been achieved using small hand held terminals to enter details of drug treatments,



Above, diagrammatic representation of the CAP Landrover showing how all the communications equipment was shoehorned inside. Right, the prototype plastered with the details of the companies sponsoring the project on location in Swaziland.



patient throughput, disease classification. Once completed, the data is transmitted over VHF radio to the central health ministry in Mbabane, Swaziland's capital.

Using the Landrover, Swaziland—which has a population of 750,000 in a mountainous area the size of Wales—showed how agricultural statistics could be gathered, again using the hand held terminal linked to a central computer by VHF radio. Swaziland has little information about the size of its crop production, mainly sugar, from the many smallholdings in the country, or the number of animals each farm supports.

Slow scan television has been added to transmit images of a power station now under construction outside Mbabane, the capital of Swaziland. International contractors will be able to monitor the progress of buildings and to confer with remote sites more quickly if any problems occur.

Another use of the slow scan television link is to provide medical contact for experts in London, at the School of Tropical Medicine say, and doctors in Swaziland. This may be a valuable help to stretched medical resources in poor nations as the television system can provide clear images

of a patient. CAP spent three years and £500,000 developing the mobile concept. A further £448,000 was added for the Swaziland project of which one quarter came from the Department of Trade and Industry.

CAP having shown that the system can provide access to world data bases, collect data cheaply and effectively and allow data processing, is to spend the rest of the year assessing the market potential of the unit, before launching any commercial products.

It has, however, identified applications for developed countries in land mapping, construction and forestry. Further research is already being carried out into the possi-

ENGINEERING MATERIALS

Polymer fit for 'hard gnashers'

BY PETER MARSH

Firemen and people with false teeth may be among those who benefit from work at Leeds University on a new form of strong polymer.

In the synthetic materials industry, has produced samples of the polyethylene fibre based on the Leeds research. The material is made from ordinary chips of polyethylene and is therefore relatively cheap.

In ordinary polyethylene, the chains of polymer are in a complicated, criss-cross arrangement rather like strands of metal wiring that have become hopelessly jumbled up. This isotropic polyethylene, relatively weak.

With processes devised at Leeds University, the isotropic polyethylene is converted into an "oriented" form in which the chains are straightened out. Essentially, the Leeds workers pull the polymer in a procedure similar to the drawing out of a strand of glass from a thick tube of the molten material.

The processes give stiff fibres with a strength approaching that of carbon fibre yet which are relatively cheap. Workers can weave the material into cloth for specific applications.

In research that started more than a decade ago, led by Professor Ian Ward of the university's physics department, the Leeds team has devised a set of techniques to unravel the chains of isotropic polyethylene without breaking the material.

The technique specifically, for instance, how the molecular weight of the polyethylene used as the starting polymer will affect the properties of the oriented fibres. The substance used is a polyethylene which is made from conventional synthetic materials, carbon fibre for instance.

In this application, engineers hope to take advantage of the polyethylene's ability to absorb energy. The material, though strong, is relatively soft. It could protect, for example from knocks during maintenance operations, brittle components that are likely to crack. The Leeds group is also assessing the use of oriented polyethylene in car bumpers.

The fabric forms a strong framework around which the plate is built up from poly-methyl methacrylate (Perspex). Professor Mike Braden of the college's materials science department has inserted the substance into the dental plates of about a dozen patients. "Results so far, he says, are very promising." The additional material should provide the extra strength which those people, known in the dental trade as "hard gnashers", who fracture the plates which contain their false teeth by biting too hard on their food.

A third application for the material is in aircraft parts. The Aircraft Establishment at Farnborough is experimenting with resins reinforced by the material. The substance could form a protective coating on the outer edges of composite sets of dentures for those people, known in the dental trade as "hard gnashers", who fracture the plates which contain their false teeth by biting too hard on their food.

The value of the volume is that it brings together some of the most significant work on the subject in one volume. Apart from the text, and applications, the book covers sensors, parts handling/feeding, economics and social aspects. There is also an important chapter on the design of products for assembly, with authors from IBM and DEC.

The book, which is the second in a series covering international trends in manufacturing technology, costs £28 in the UK and \$56 elsewhere. The first was on robot vision and there are to be others covering flexible manufacturing systems, lasers in manufacturing and robotic welding. More from IFS on 0234 853805.

Energy

Fuel oil from sludge

TURNING SEWAGE sludge into fuel oil is a project being carried out by Battelle's Pacific Northwest Laboratories under sponsorship from the U.S. Environmental Protection Agency.

Battelle's researchers are looking at ways to alter existing sewage treatment processes so that sludge is converted into grade 2 fuel oil.

EDITED BY ALAN CANE



The UK's leading computer company. 021-454 8585

Manufacture

'Bible' for flexible systems

NOW, the automated manufacturing "Bible," IFS (Publications) of Bedford has published "Programmable Assembly," edited by Professor W. B. Hegnbotham, who was until recently Director General of IFSR (Production Engineering Research Association).

Programmable, or flexible assembly makes use of a group of robots, conveyors, guided vehicles, replaceable tooling which is all controlled by a computer program so that a variety of products can be assembled in random order.

This handbook, 350 pages, is basically a collection of papers given by experts at the major conferences on the subject during 1983 and the first half of 1984. Many of the authors have been responsible for the installation of flexible assembly systems in industry.

The value of the volume is that it brings together some of the most significant work on the subject in one volume. Apart from the text, and applications, the book covers sensors, parts handling/feeding, economics and social aspects. There is also an important chapter on the design of products for assembly, with authors from IBM and DEC.

The book, which is the second in a series covering international trends in manufacturing technology, costs £28 in the UK and \$56 elsewhere. The first was on robot vision and there are to be others covering flexible manufacturing systems, lasers in manufacturing and robotic welding. More from IFS on 0234 853805.

Energy

Fuel oil from sludge

TURNING SEWAGE sludge into fuel oil is a project being carried out by Battelle's Pacific Northwest Laboratories under sponsorship from the U.S. Environmental Protection Agency.

Battelle's researchers are looking at ways to alter existing sewage treatment processes so that sludge is converted into grade 2 fuel oil.

Coatings

Paint to cover rust surfaces

International Paints has developed an epoxy resin coating which can be applied to rusty, hand-prepared surfaces, giving all the advantages which wave, claims the company, previously available only with blast-cleaned steel.

The paint is called Interplus 770 and is said to combine the weather and chemical-resisting attributes of primers and top coats in a single coating.

The paint has "high-build" properties, giving increased protection with fewer coats of paint and allowing the work to be completed more quickly.

All these advantages produce a reduction in long-term costs, says International Paints. Over a 15 to 20 year cycle this "can amount to as much as 40 per cent to 50 per cent of the total painting maintenance bill."

Computing

Diagnosis by 'phone

A DIAGNOSTIC centre has been opened in Newbury, Berkshire, by Norwich, the Norwegian mini-computer maker, that allows computer faults to be dealt with remotely over a telephone line.

The company has developed this "Telefix" centre to reduce the waiting time between fault detection and correction. When installed on a customer site, the system can remotely diagnose both software and hardware problems in 95 per cent of cases, says Norwich.

Some 30 per cent of these can be repaired without the need for a service technician to visit the site. More on 0635 28544.

THE ARTS

Boucher/Manchester City Gallery

David Piper Pastoral pleasures

In one of the introductions to the very pretty little exhibition of Francois Boucher at Manchester City Gallery...

phile collector of Boucher, that famous statesman and art-lover, Count Tessin, who became patron and friend of the painter...

example of Tiepolo, deal with a fantasy world in which the female nude is often a main staple, or pastorals in which the rustic are most prettily clad...



'Nymphs and Cupids bathing' by Francois Boucher

still further than it is in the transpositions of Boucher's images into the melting pallor of Sevres biscuit, soft paste porcelain.

works very well—a case of photographs of now vanished English interiors once hung with Boucher pastiches; a single but superbly expressive chair upholstered with Gobelin...

Grave Eaters, the harsher polychromatic idyll of Holman Hunt's 'Hiringling Shepherd' almost raucous on the wall beyond.

Party Games/Covent Garden

Clement Crisp

I enjoyed Michael Corder's Party Game at a second viewing on Tuesday. I noticed reservations about the interaction of design, music and choreography...



Bryony Brind and Guy Niblett

to the solo variations and a Hungarian entrée missing on all cylinders in matter of dash and aristocratic elegance...

is too ingratiating for a role which demands authority. Mr Bromhead has a rich muscular quality to his movement...

BBC Concert Orchestra/Albert Hall

Dominic Gill

One would have to be, I should have thought, in the broad view, a fairly irrepressible concert fetishist to hear the BBC Concert Orchestra...

that it seems a towering pity only, given the existence of a deal of wonderful music, much of it admirably clear, important for the music which often responds so precisely to the dictation of the texts...

a police-car siren sounding outside the hall in the right key. Delius's Cuckoo—his reminder to all Englishmen of the lush, steaming springtime of Norway—was given by the BBCCO with a confident impression that was almost appealing.

Ensemble Dufay/New Zealand House

David Murray

The reception hall at New Zealand House on Tuesday proved a hospitable place for the Ensemble Dufay, an early music specialists from Wellington.

sance flutes stylishly. All the sung French was admirably clear, important for the music which often responds so precisely to the dictation of the texts; it helped more to bring out the individual manners of the composers represented than the Ensemble's uniformly suave delivery...

Roussel and de Bussy in a Renaissance programme! These ones flourished in the mid-16th century and wrote charming songs: de Bussy's, it seems, amorous and forthright, Roussel's more elaborated with ingenious conceits.

Abel's Sister/Theatre Upstairs

Martin Hoyle

Suffering plus intelligence equals egocentricity. The strength of this Royal Court Young People's production lies in avoiding easy pity for its disabled protagonist.

entirely focused, though Jay O. Sanders's beautifully shaded performance almost kills the character of laughing Oklahoma farm-boy who quotes Wilde, fighter-pilot turned anti-war demonstrator who ends up buying a thatched cottage in the west of England...



Stephen Oxley, Linda Bassett (centre) and Philomena McDonagh: moving and memorable

Saleroom

Christie's South Kensington are to sell 200 pictures, watercolours and drawings removed from the studio of the late Tom Keating, on Monday, September 10, at 5 pm.

"It is rare that another sale should be devoted to the same artist within a period of only nine months and unusual that it should be taking place so soon after Mr Keating's sad and premature death."

Irish pianist wins Spanish piano prize

Hugh Tinney, the 25-year-old Irish pianist, has won first prize in the Santander International Piano Competition in Spain.

Arts Guide

Exhibitions

ITALY Venice Biennale: The Venice Biennale is up and running for the summer in the Giardini di Castello and at various places around La Serenissima...

Like many of the Italian humanists art considered the horse a subject of attention second only to man. The exhibition includes ten of Leonardo's studies for The Battle of Angliani, with their terrific force and vitality.

and well selected exhibition of art and art fact (paintings, wood sculpture, textiles, everyday objects) from the German National Museum in Nuremberg.

Paris Charles Scheider — an artist with glass and a magician with colours — began with Art Nouveau and its floral themes to become a pioneer of Art Deco with its geometrical design in his vases, goblets and lamps.

London The Tate Gallery: The Hard-Won Image — this summer's sequel to last year's New Art — is a personal survey by Richard Morris.

WEST GERMANY Frankfurt, Stadel, 63 Schaumainkai: Ulrich Rückriem, a contemporary German sculptor, is exhibiting eight stone sculptures from the last two years never shown before.

Berlin, Brücke Museum, 9 Borsardamm: The first big retrospective works by Uwe Lauson, the German artist (1941 to 1970). He has 180 pictures, graphics and drawings.

VIENNA Drawings of Gustav Klimt: This exhibition shows an unusual aspect of Klimt. Instead of the more well known heavily gilded and decorated canvasses, here are pencil sketches and monochrome lithographs.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
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Thursday August 9 1984

Monopoly in civil aviation

AFTER a long investigation, Britain's Civil Aviation Authority recommended last month that the market power of British Airways be reduced slightly ahead of its planned privatisation next spring. The economic case for this strategy, which the Cabinet was unable to reach a quick decision on whether or not to support the CAA's modest proposals. Instead, it has set up a special committee to re-examine issues already studied by the industry's independent regulator.

The Cabinet decision casts two long shadows—over the standing of independent regulators and over the real purpose of the privatisation programme. Having commissioned the CAA report, the Government has a perfect right to reject its findings. However, it would be most unwise to do so without some very convincing reasons. It is not simply that the CAA's proposals are in tune with the Government's general philosophy. It is also important not to undermine the authority of the industry's regulator which will face the difficult task of controlling BA after privatisation. The Cabinet action might easily be misinterpreted as a signal that BA and the CAA are on an equal footing in disputes over the future of British civil aviation.

One-party rule in Black Africa

ZIMBABWE appears firmly set on a path followed by nearly every country in Africa, with generally disquieting results. At this week's conference of Mr Robert Mugabe's ruling Zimbabwe African National Union (Zanu) are expected to endorse its draft constitution which envisages a one-party state. A single-party system may well have some theoretical merit in Africa. It is primarily intended to combat tribalism, the single most divisive and damaging factor in the continent's politics, and to give countries created by arbitrary colonial boundaries a heightened sense of national identity and purpose.

Support for political parties in the run-up to independence of most African nations has almost invariably been based on tribal constituencies rather than policies. New governments could not but be argued, having tribal divisions exacerbated by inter-party rivalries on the floor of parliament. Nor should governments, invariably short of skills, be distracted from pursuit of relatively simple objectives shared by all, notably better education and social services.

A one-party state, according to its proponents, should not mean an end to debate about government strategy. Former opponents of the ruling party would be free to criticise provided they kept within broad party policies. In most one-party states, parliament has become not a forum for debate, but a rubber stamp. The press is usually under firm control, faithfully reflecting the ruling party's line. The police and army are used to enforce authoritarian measures, trade unions lose their independence,

A NATIONAL bookmaking firm is reported to be earning annual profits of £1m from its betting shop in a depressed part of Glasgow. Twenty-two per cent of the city's population is out of work—providing a major stimulus to the local betting trade—but not a penny of the company's "winnings" has been reinvested in the area.

At nearby Greenock—blighted by the recent closures of British Shipbuilders yards—few if any of the million of pounds which have swelled the coffers of banks and building societies are believed to have found their way back into the community for the benefit of local people.

Many readers will find these attitudes neither surprising nor disquieting—preferring to argue perhaps that the road to economic salvation lies through strict adherence to market forces and full-blooded maximisation of after-tax profit.

But in the past two to three years a growing number of British businessmen has been recognising a different obligation. Disturbed by very high levels of unemployment, inner city decline and genuine threats of a breakdown in the country's social fabric, UK companies have been channeling money and resources into a wide range of local job-creation projects, training initiatives and other voluntary work aimed at alleviating economic hardship and social unrest.

There are hundreds of examples up and down the country. British-American Tobacco has spent £0.75m on the reconstruction of industrial buildings in Liverpool for small businesses and has budgeted £2.5m for a similar but more ambitious scheme currently under way in London. Citibank, Legal and General Assurance Society and the Abbey National Building Society are among institutions committed to Lenta Housing, a new non-profit-making subsidiary of the inner-city housing project.

By comparison with the U.S., the sums are still miserly as an integral part of their management training programmes, these activities can be described as broadly non-commercial. There are, of course, numerous grey areas—some of the earliest venture capitalists in the UK was dabbed out by big companies anxious to facilitate new business creation rather than make vast amounts of money for themselves; while similar social objectives lie behind the recent efforts of big job-creating organisations such as ICI and Rank Xerox to spare their employees for self-employment before they are severed from the corporate womb.

Least anyone jump to the conclusion that the UK private sector has suddenly turned into a vast and caring charity, the point should be made that the



Left: clearing up after Liverpool's Toxteth riots, which led to a wave of business concern about the inner cities. Right: Brian Wright (seated), director of the London Enterprise Agency with small business tenants at the opening of the Rosebery House workshops in central London.



Right: Brian Wright (seated), director of the London Enterprise Agency with small business tenants at the opening of the Rosebery House workshops in central London.

British business philanthropy

The switch from 'church bells' to job creation

By Tim Dickson

small firms, particularly those set up by individuals whose only alternative might have been the dole queue. All the high street banks are involved to some degree while Pilkington Brothers, ICI, IBM, British Petroleum and United Biscuits are among growing number of corporate sponsors, providing financial aid (more importantly) secondhand.

While the encouragement of small business is an important and popular focus for corporate community activities, major companies have also stepped up their involvement in youth training and other "inner city" projects. One of the earliest and most successful attempts to address this problem was Project Full-employ, set up in London as early as 1973 through the collaboration of City institutions and the clearing banks. The organisation now has the capacity to train up to 1,000 young people a year and boasts a "hit" rate (permanent placements) of around 75 per cent of those who pass through its hands, predominantly the ethnic minorities.

and the rebuilding of broken communities. As a representative of one major oil company put it: "What we have seen is a major switch from church bells to job creation."

Perhaps the most conspicuous development has been the mushrooming of local enterprise agencies (sometimes called local enterprise trusts). Many of these are partnerships between the private sector and local authorities aimed at providing advice and training for

Lyons' pride in Jaguar

Nobody has watched the public stampede for Jaguar since this week with greater elation than Sir William Lyons, 82-year-old founder and president of the company.

"I am absolutely delighted," he told me from his Warwickshire home yesterday. "The public's faith in the company and its cars is very gratifying." Sir William was full of praise for Jaguar chairman John Egan. "He has rescued the company from nothing; it was going to pieces under BLMC," he said. "But now it has a great opportunity to go ahead."

The week's events inevitably raised memories of when Sir William first brought his SS Cars to market in 1935 to a rather more subdued, though none the less, enthusiastic reception from investors.

"I never charged enough for the cars in those early days," said Sir William—but right up to it merge with BLMC in the mid-1980s, the company was always profitable. "We never lost a penny."

The FT diarist in 1935 had taken a cautious view of Jaguar's prospects. Its 15 shares, he noted, had been heavily oversubscribed at 10s 6d, and a month later could not be bought for less than 12s—still a very reasonable price—lock-up," according to one jobber, who suggested the share were still 2s or 3s below their "proper price."

Men and Matters

Across the Atlantic, Venture reports, they're not just placing services such as refuse collection, mass transit, mail deliveries and school libraries under the management of American businessmen have also discovered that there are good profits to be made by privatising the long arm of the law.

Two companies, EnDispute and Judicate, will arrange for a fee to try commercial disputes before retired judges, whose decisions the litigants agree in advance to accept. Both companies claim turnover of around \$500,000 and see plenty of room for expansion. Washington-based EnDispute has formed joint ventures in half-a-dozen other cities, while Judicate has raised \$160,000 through a private placement.

Privately-owned prisons are proving a gold-mine, too, with a dozen companies active in the field. "Prisons are a \$100b industry," enthuses one entrepreneur. But others are more cautious, fearing that a shake-out may be on the cards. "This business requires a great deal of sensitivity and familiarity," an expert warned Venture. "If one company went belly-up, it could sour the whole idea."

Free kick It may not be just around the Olympic boxing ring that the Falklands war will be refought this year.

While British protests were being made yesterday about the South American boxing judges in Los Angeles, some Argentines were looking ahead to the world club soccer championship in Tokyo in December. European Cup winners Liverpool are due to meet the South American champions, Independiente of Argentina.

community self-help groups and a vast grey area of other organisations working at local level. "There is much more to assisting the community than small business start-ups—essential as this is," maintains ARC. "Companies should now be brave enough to cross the divide."

Why then do companies get involved in "community activities? Why should others follow suit? There is no one answer to these questions, though those most closely associated with spreading the gospel talk enthusiastically about the power of "altruistic self-interest." As Derek Black of IBM pointed out at a recent conference: "Industry and commerce increasingly operate by consent of the community. A company takes a lot from the community and therefore should try to give back. We are interdependent and must contribute to the quality of life."

Most companies may be keen to create a social environment in which business can prosper in the longer term. But others undeniably have shorter-term objectives. It is no coincidence, for example, that United Biscuits and BAT Industries have directed most of their efforts to Liverpool, where the closure of their factories has provoked bitter hostility and left many people out of work. The local companies, meanwhile, can usually soften their poor image among environmentalists; while a multinational like IBM can, through its "community activities," counteract criticism that it is a giant predator.

Perhaps due to the concentration of corporate headquarters in the South East of England—away from the worst areas of social deprivation—and Britain's welfare state traditions, few UK companies have developed entirely coherent policies on "social affairs."

Norma Jacobson, director of corporate affairs at Citibank, says: "In the U.S. companies tend to analyse their 'stakeholders'—and realise that along with shareholders, employees and government (which is dependent on them for tax) the community in which they operate is very important. The best place to do business is in a happy, healthy community."

Coherent policies have still to be developed

David Logan, regional manager of community affairs of the Levi Strauss (UK) Northern division, would certainly echo that last sentiment. Modelled on the U.S. parent's programme, Levi Strauss (UK) has developed a sharp local focus ("do things in your own backyard"), has devolved control to its workforce, has homed in on social issues rather than the arts, and has set up a separate company to try to take our activities away from pure PR.

The company has two specific activities—ordinary charitable donations (handled by the employees) and a special grants programme, which is focused on unemployment. "We try to use what money we have as seed corn and in partnership with others."

The continuing dislocation of technological change, the consequent demand for new skills and the relatively recent problem of the long-term unemployed seem likely to inspire an increasing corporate commitment to community involvement in the years ahead.

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ECONOMIC VIEWPOINT

A way round the debt crisis

By Anatole Kaletsky

THIS TIME next year will be the crunch point for the Third World debt crisis. Despite the encouraging signs from Latin America at present, a downturn in the world economic cycle or a further rise in U.S. interest rates could bring the political transformation in Brazil as a new president is inaugurated, could all too easily bring the dreaded default.

Yet one major central bank has a dossier of over 100 proposals for restructuring world debt, many of which would be preferable to the present unending war of nerves. Even the long-suffering shareholders in U.S. banks, who have seen the debt crisis wipe 40 per cent or so off the value of their investments, might be better off if Western politicians started thinking—and talking openly—about the principles on which a lasting solution to the debt crisis could rest.

The primary objectives are clear enough: to restore rapid per capita growth in the debtor countries and to prevent the collapse of the world banking system.

There are two equally familiar objectives which any sensible approach to the debt crisis should emphatically not attempt to meet: helping debtors at zero cost to creditor countries and protecting the current level of profits reported by the banks. The latter demand is sometimes euphemistically referred to as "keeping alive the hope of a return to voluntary lending"; it is in fact a guarantee that normal market lending will never be resumed. As in any bankruptcy, normal lending will only become possible after existing obligations are reorganised.

In addition to the general goals of any restructuring, some more specific criteria are likely to be required of any concrete scheme which would see the light of day. Ideally, it should:

- involve no new international institutions or global negotiations, since these might expose Western governments to all kinds of unacceptable political demands from the Third World;
- enable both borrowers and lenders to predict debt-servicing payments well in advance, as to eliminate disruptive uncertainties over rescheduling;

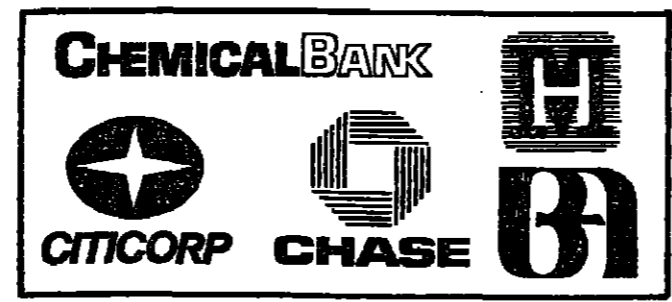
- put most of the cost of debt relief onto banks rather than creditor governments, but spread the banks' losses over a very extended period to avoid a bank liquidity crisis;
- ensure that debtors continue to improve their economic management even after the foreign exchange constraint has been lifted;
- avoid subsidising debtors who would be able to continue servicing their loans on market terms without undue hardship.

The last of these requirements can only be met by continuing to restructure debts on a case-by-case basis and imposing a cost of some kind on countries which demand special treatment. Since by definition the countries which need soft terms will be incapable of paying any economic penalties, the costs for debt relief must be political: through stringent long-term supervision of the borrower's economic policies.

Lifting the yoke of macro-economic austerity need not make debt relief a soft option politically. Micro-economic policies, on agricultural and energy pricing, import control, foreign investment and income distribution could not only contribute enormously to many countries' growth prospects, but also set a challenging political agenda.

This leaves the purely financial elements of a debt relief package. Consider a country called Bramexina, which owes the banks \$100bn at an interest rate which is currently 14 per cent. If the U.S. inflation rate in 1985 will be 6 per cent, then \$8bn out of the \$10bn which Bramexina must pay the banks next year will in effect be principal repayment, since the country's \$100bn debt will be worth 6 per cent less in real terms by the end of next year. Thus, unless the banks lend at least \$8bn in "new money" to Bramexina, they will be cutting their real exposure to the country.

If banks were forced to guarantee to maintain their real level of exposure to Bramexina, much of the debt crisis would be solved at a stroke. This could be done by agreeing a 10-year programme of "new money" loans equal each year to the inflation element in Bramexina's interest obligations. Alternatively, 6 per



EXPOSURE OF MONEY CENTRE BANKS TO SIX PROBLEM BORROWERS

As percentage of equity and reserves, assuming new lending or interest capitalisations of 6 per cent annually

Loan loss reserve†	Equity growing at 8% pa 1984	Equity growing at 10% pa 1984	Equity growing at 12% pa 1984
0	184	184	184
3	184	124	100
5	184	107	85

THE MONEY CENTRE BANKS' VULNERABILITY

Percentage earnings reductions from setting up loss reserves† of:

Bank	1%	2%	5%	10%
BankAmerica	12	24	59	119
Chase	10	19	49	97
Citicorp	13	26	66	133
Morgan	6	11	28	55
Chemical	11	22	56	112
First Chicago	8	16	40	81
Money Centre Average	9	18	45	90

centage points of Bramexina's interest could simply be "capitalised" each year in the books of the banks—the banks would add \$8bn to the country's outstanding debt and take the same money back as notional interest payments.

In the U.S. the regulators would have to change their rules to make such capitalisation possible and the whole arrangement may smell extremely fishy, were it not for one further proviso. If the banks capitalised part of the interest, they could also be obliged to set aside part of their earnings as reserves against possible loan losses. Assuming that the banks' own capital continued to grow at the rate of inflation in the meantime, this procedure would allow them gradually to reduce their relative exposure to Bramexina. The table gives some numerical

leaves a further 4 percentage points of annual interest, equal to what Bramexina considers to be "excess" real interest which it refuses to meet.

The banks cannot prudently capitalise their loans more rapidly than the rate of inflation; nor can they simply forgive the "excess" \$4bn of interest without risking their solvency. At this point, Western governments have no choice but to intervene. After much haggling they agree to lend Bramexina \$2bn a year through a special IMF-World Bank facility and to persuade the banks to forget about the other \$8bn, in exchange for a sweeping programme of growth-oriented micro-economic adjustment measures, including politically unpopular agricultural price increases and the abolition of import controls. In addition Bramexina provides a government-to-government commitment to maintain its 4 per cent real interest payments on all current and future bank debts, including the new obligations resulting from the annual interest capitalisation.

How has each of the parties to this bargain fared? First the banks. Bramexina's debts are now restructured on a long-term basis; there is a firm and feasible commitment from the government to pay the real interest rate of 4 per cent; and any interest more than 6 percentage points above the rate of inflation is in effect guaranteed by the IMF and World Bank. With such assurance of future debt servicing, it is perfectly sound banking to capitalise at the rate of inflation (currently 6 per cent) and establish a 3 per cent annual reserve against Bramexina loans. Considering that a further 2 per cent of interest is being forgiven annually, the total reduction to Bramexina's contribution to profits amounts to 5 per cent of exposure.

Reverting to the real world for a moment, the second table, computed by Mr George Salem of Becker Frutkin, shows that the Bramexina restructuring, if repeated for the six biggest problem debtors would reduce earnings reported by 28 per cent for J. P. Morgan, 86 per cent for Manufacturers Hanover, and 45 per cent on average for the money centre banks. After 10 years the banks' average ratio of sovereign loans to capital would have improved from 184 per cent to 124 per cent.

That may seem disturbingly slow progress, considering the drain on earnings which the money centre banks would be suffering. It does seem that some banks at least will be permanently hobbled by their Third World exposures. But it does not follow that the U.S. economy as a whole will suffer a perceptible loan contraction as a result of the permanent crippling of a few big banks.

It is often forgotten how tiny even the biggest U.S. banks are in relation to the whole economy. There are nearly 15,000 commercial banks in the U.S. and the 10 largest account for less than 20 per cent of the capital and deposits. A sudden collapse of any large bank would be disastrous because of its monetary shock-waves; but a gradual fading away would hardly be noticed.

Returning now to the case of Bramexina, the cost of the deal to Western governments is not much more than the growth of their national debt in the few minutes it takes to read this article. Even if the Bramexina treatment was extended to all of the Third World \$300bn of medium-term bank debt, the total cost of 2 per cent annually would come to \$6bn. If the loans were made through the World Bank, where governments pay in only 7 per cent of the capital they guarantee, the cash expenditure would be \$420m.

Finally, look at Bramexina. Cynics crowed that this over-indebted country could never sustain a further growth of 8 per cent a year in debt burden, resulting from capitalisation at 6 per cent plus the \$2bn annual borrowing from the World Bank. But in real terms this increase was only 2 per cent a year. With Bramexina growing again at 7 per cent, after inflation, now that the foreign exchange constraint has been slashed, the annual interest payments of \$4bn a year, rising no faster than the rate of inflation, are no problem.

Some economic visionaries even suggest that Bramexina will soon be ready to return to normal market borrowing. It will then start paying the banks their extra 2 per cent interest. The banks will be delighted to lend to it again through the markets since this will give them an excuse to channel all those loan loss reserves back into profits, and everyone will live happily ever after.

Lombard

Countering the computer cult

By David Marsh in Paris

A VISIT to two seaside resorts on different sides of the Channel provides a flash of insight into why Britain is forging ahead in the information technology stakes.

In Deauville, teenagers sit on the terraces of beach cafes (the sun is shining), slipping glasses of red liquid, gazing languidly out to sea through dark glasses, or routinely kissing each other. In Brighton (the sun has gone behind the clouds), the promenade is dominated by lady pensioners in turquoise raincoats. The cream of Sussex youth has gone to earth in dimly-lit dens just off the sea-front bearing euphemistic names like Family Fun or Leisure Centre, where they pass the time jabbing buttons and staring at video-screens, soaking up computer culture.

Deeper influences

Of course, massed ranks of amusement arcades on the south coast, and the lack of similar facilities in France, give only a fleeting, partial and even somewhat jaundiced impression of the reasons why computers have caught on so much better in schools in Britain than in France.

It is not hard to find more concrete factors — dynamic British government policies to promote electronics, old-fashioned Gallic scholastic rigidities, lack of suitable (French-made) equipment, and so on.

But perhaps deeper influences are indeed at work: the British are fundamentally more susceptible — (maybe because of more mechanistic minds, or greater love of solitary pursuits?) — to the lure of computer keyboards than the French.

And the alacrity of British educationalists, parents, the BBC, equipment makers, magazine publishers and the Department of Trade and Industry to satisfy this mania for computer magic may not be entirely healthy.

Computers are certainly necessary. Without them words could not be processed, accounts accounted for, satellites satelised, newspapers printed

(except in Fleet Street). But the facility to handle a computer—whether to type a business letter or launch a ballistic missile—can surely be learned, when needed, as part of professional training.

Too great an emphasis, at too early an age, on information technology inculturation — for instance, the fascinating classroom machines which enable shapes and pictures to be drawn through the touch of a keyboard rather than with a pencil—must run the risk of curtailing schoolchildren's imagination and creative abilities, and lowering their interest in more straightforward pursuits like reading books or playing football.

A generation of consumers may be growing up who will accept without qualm the time-saving, efficiency-boosting but perhaps ultimately dehumanising gadgetry dreamt up by high-technology companies — video systems to work out your milk bills, home shopping terminals, and of course more television.

And a generation of parents may be committing the mistake, out of lust for novelty or, more likely, fear of unemployment, for their sons and daughters in a technology-dominated world, of pushing computer games too enthusiastically before their offspring.

Human isolation

Happily, there may be time for the worst effects to be headed off. The drastic downgrading of forecasts for this year's world sales of personal computers may mark the beginnings of a rearguard action — due not just to depressed economies but also to creeping realisation that home computers when they are not used as professional or genuine study tools — serve little purpose apart from narrowing minds and increasing human isolation.

But the real sign of the tide changing will come only when the chess-playing electronics buff of my acquaintance, who refuses to pit his wits against anyone but his home computer, leaves his chess-board — and gives me a game.

Multi-lateral aid

From Mr M. Faulkner.
Sir,—Your editorial of August 1 mis-informed your readership as to the benefit that the UK obtains from its multi-lateral aid programme. Overseas Development Association's own publication, British Overseas Aid 1983, while quoting the 120 per cent return to the UK, admits that this comparison is complicated by the fact that some multi-lateral institutions borrow funds from the market and are thereby able to fund projects. They are able to do this as a result of a capital contribution from the UK and the proper return to the UK must therefore be based upon our percentage of capital contributed.

A comparison of our capital contribution with UK procurement (which figures are available) shows that in each case UK goods and services supplied as a proportion of the total falls well below the percentage of capital contributed by the UK. Furthermore, in respect of those multi-lateral agencies funded out of income rather than capital contributions, the return to the UK is only an average 68p in the pound for the regional development institutions, and 51p in the pound for EEC institutions.

Your editorial also fails to realise that the commercial interest of any UK exporter is usually consistent with the national interest—a point our overseas competitors never fail to forget. I fail to understand why it remains more attractive to believe that it is better to hand over taxpayers' money to vast international bureaucracies responsible to no democratic process, when employment prospects and the standard of living of our own people remain at stake. As far as the developing countries are concerned, is not a healthy inter-dependence between nations better than unarmoured charity?

Miles Faulkner,
42a, The Drive,
Northwood, Middlesex.

Different pittance

From Mr D. Franklin.
Sir,—Chris Pond, director of the Low Pay Unit (August 3) should read the article on Swiss apprenticeships on page 2 of the same issue. The Swiss economy's main plank is its apprenticeship system and although apprentices start off with not much more than a pittance this has not led to a destruction of jobs or firms. On the contrary, it has produced a society with the highest standard of living, the lowest inflation rate, the lowest unemployment and youth unemployment in the western world.

Mr Pond further states that

Letters to the Editor

Sm workers covered by wages councils are amongst the lowest paid. As "low pay" is calculated at 68 per cent of average earnings and these are £155.30 per week, anyone earning £5,505 or less is on the poverty line. Claims that millions are on low pay only means that they earn less than the amount arbitrarily defined by the Council of Europe.

Surely there is no better reason for the abolition of the wages councils than the LPU's own findings that "over the years the wages councils have done little to improve the relative earnings of the workers for whom they have responsibility."

D. G. Franklin,
121 Kemington Road, SE11

Take a year's holiday

From Mr W. Stafford.
Sir,—In your issue of August 1, Mr Paul Cheeswright from Brussels refers to specific measures being introduced by the Belgian Government "including the payment of a lump sum to those prepared to take a year's holiday, leaving space for an unemployed person to take a job."

This seems the most ingenious scheme, announced by any Government to reduce the number of its unemployed. It could be argued that it will not provide real jobs but it will give work experience and shorten the dole queue, if only for a year.

In the same issue, John Davies reports from West Germany that "more young West Germans seek on-the-job training, including some who have completed military service."

Whether the independents contribute depends heavily on the chairman. This is both the strength and the weakness of the UK system. If the chairman wishes to have good independents and wants them to play their part he should be in a position to ensure both. If he wants to do otherwise he can, indeed, keep them out altogether or pick poorly or fail to bring them in enough.

It is an interesting thought that the independent directors might put a separate piece in the annual report, but the implications of the formal differentiation of their role needs to be worked out. And it is not just the independents but all directors who should be custodians of the shareholders' interests and shareholders

ought to be more active in seeing that they are. Indeed, shareholders could undoubtedly play a bigger part than they do in ensuring the quality and effectiveness of company boards and it is very much to be hoped that they will more often exercise the powers they already possess.

The need is for non-executive directors to be absolutely independent and for appointments to be of limited duration.

J. P. Charkham,
30, Curstort Street, EC4.

High-risk position

From Mr N. Frouse.
Sir,—I'm afraid observer's foreign exchange dealer from Citibank (August 6) it not as well-hedged as he appears to think. You only have to look at a telephone directory to see that 65 per cent of people have last initials in A-M and only 35 per cent in N-Z. I only hope his very high-risk position is suitably covered by options.

Nicholas Frouse,
Olives Farmhouse,
Ongar Road, Great Dunmow, Essex.

Architecture in Riyadh

From Mr R. Smith.
Sir,—We viewed with interest Paul Betts' report (July 23) on the King Saud University following his visit to Riyadh. Do you think it is rather sad, however, that his comments in glowing terms of the construction and design of one of the largest universities in the world excluded the name of the architect of which we form a large part?

Robert Smith,
GMW Partnership,
18, Manchester Square, W1.

The ten top clichés

From Mr D. Bloom.
Sir,—I suspect that we have the business schools to thank for parameter (August 6) and that they, in turn, borrowed it from the psychologists, who appear to mean by it a variable having a constant relationship to some other variable.

That is seldom how it is understood in business circles. Perhaps because it sounds like perimeter, many practitioners use it as though it set limits on those parameters," they say—and at times parameter becomes simply a grandiose word for factor: hence "key parameter," is main factor.

With the growth of econometrics, it cannot be long before the verbal form "parameterise" adorns our discussions, and just around the corner is "operationalise"—but that's a whole new bag of parameters.

Derik Bloom,
47, Old Church Street, SW3.

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FINANCIAL TIMES

Thursday August 9 1984

OVERSEAS MOVING BY MICHAEL GERSON
 01-446 1300

Reginald Dale marks the 10th anniversary of a traumatic resignation

Why Nixon is feted but not forgiven

TEN YEARS ago today a tearful and emotionally drained President Richard Nixon left the White House, bitterly humiliated and publicly reviled. The only U.S. President ever to resign his office, he still faced the likelihood of criminal indictment for his Watergate activities and the threat of financially devastating legal fees.

A decade later, at 71, Mr Nixon has staged a recovery that few would have predicted in the darkest days of 1974, when his friends said he was so depressed as to be verging on the suicidal. He is rich, healthy, articulate and well on the way to achieving his ambition of becoming a respected elder statesman on world affairs.

The American media once Mr Nixon's bitterest enemy, now frequently refers to his "rehabilitation". In May, Mr Nixon received an ovation from a convention of American newspaper editors after delivering an entertaining and skillful analysis of this year's presidential campaign (he thinks President Rea-

gan will win a close election in November) and assuring the editors that he now has "no enemies" in the press.

But it is quite clear that Mr Nixon, whom the Watergate grand jury branded as an "unindicted co-conspirator," will never be totally rehabilitated.

Mr Nixon stood accused of crimes ranging from "covering up" the June 1972 burglary of the Democratic Committee's Watergate Building headquarters by agents of his own re-election committee to widespread use of "dirty tricks" against political opponents.

Having fundamentally shattered national confidence in the hallowed institution of the presidency, he resigned only to escape formal impeachment.

However great his new-found influence as a commentator and consultant on foreign affairs, the nation as a whole will never forgive him for the trauma he inflicted on it.

To the relief of most participants,

he will not appear at the Republican national convention in Dallas later this month. Party leaders still sometimes boycott his appearances at Republican fund-raisers, and those who seek his advice tend to do so on the sly.

Mr Nixon's long, slow climb back to a kind of respectability began one month after his resignation, when President Gerald Ford granted him a blanket pardon for any crimes he might have committed in the White House — an act that some analysts believe subsequently cost Mr Ford the presidency.

Surveys consistently showed that two thirds of Americans thought that he should not have been pardoned, and about 7 per cent of voters told pollsters that they had not voted for Mr Ford in 1976 because of it. Had they done so, he probably would have defeated President Jimmy Carter.

Step-by-step Mr Nixon began inching back, first overcoming his health problems, then making his first public appearance, then a foreign trip, then his first political speech. Now, he has visited 18 nations, including three trips to China as a guest of the Government, thanks to his opening of U.S. relations with Peking in 1972. He has conferred with 18 heads of state, figured frequently on TV and in newspaper interviews and is working on his fifth post-White House book, "No more Vietnams".

With an annual \$119,000 pension and \$300,000 in government expenses, he is well off. He was paid \$500,000 for a recent series of TV interviews with the CBS network.

He has a \$1m house in New Jersey and an office near Wall Street, to which he is driven every day by the secret service, which will protect him from life.

If he has chosen foreign affairs as the channel for his recovery, it is partly because he always wanted to be remembered as a campaigner for world peace, partly because it is an easier route than confronting his Watergate past.

By the standards of the Reagan Administration, he is a relative "liberal" on foreign affairs, which makes him anathema to many right-wingers. Ironically, however, it has helped his "rehabilitation" with more moderate Americans, who tend to make favourable comparisons of his views — particularly on détente with the Soviet Union — with those of President Reagan.

He seems doomed, however, never to get the accolades of Watergate: off his neck — not least because he has never really managed a sincere apology for what he continues to regard as no more than a blunder or an error of judgment. The same flaw in his character that led him into Watergate also seems to prevent him from seeing what he did wrong.

As Time Magazine put it this week, "Nixon is probably destined to spend years as a kind of Ancient Mariner, plucking at the lapels of passers-by and trying to explain his strange story."

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THE LEX COLUMN Rate-capping by the Bank

Last month's leap in base rates won as little favour in Threadneedle Street as it did in Downing Street, so it was not altogether surprising yesterday to see the Bank of England nudging the clearers back down the hill.

Having stated publicly just before the last jump that it saw no reason for rates to rise the Bank had perhaps more than a passing interest in bringing base rates down a notch. Yet, in its own defence, the Bank could legitimately claim that the 12 per cent rate was looking excessive by the time the printer's ink had dried on the clearers' base rate advertisement.

Then, as now, the only convincing argument for holding base rates at such a high level was the weakness of sterling. Judged against that yardstick, yesterday's move was a decisive success. Sterling's trade-weighted index rose 0.2 per cent to 78.7, encouraging the notion that the Bank would waste no time in endorsing a further fall in money market rates in order to bring base rates down to 11 per cent.

Last night three-month sterling CDs were trading as low as 11 3/4 per cent, so the Bank may not need much further encouragement.

There is little reason, on the face of it, for the Bank to hold back if market rates slip another quarter. Sterling is being well supported by rising oil prices, the U.S. debt market appears to be digesting the latest funding package without difficulty and the UK monetary aggregates are back on course. Even if the PSBR proves to have been erratically low in banking July, the authorities have taken precautions against any nasty news in the current month. Yesterday virtually all of the new tap was sold at a half point premium.

The only party which might have felt aggrieved at yesterday's events was Barclays, which has been in the uncomfortable position of leading the rise in base rates owing to its unusual rate adjustment formula.

Barclays had rather been hoping that it would also claim the credit on the way down. But yesterday NatWest nipped in first. The least the Bank can do is give Barclays another chance.

Commercial Union

The stock market is by now so thoroughly inured to hard-luck stories from Commercial Union that initially the company's share price scarcely fluttered at the remarkable news of a 68.1m pre-tax loss for the second quarter to add to the £8.4m deficit reported in the previous three months. By the end of the day, however, the share price was showing an 11p loss at 193p.

The movement was directly attributable to what, in CU terms, amounted to an almost heretical statement from the group's chief executive. The CU dividend has traditionally been seen as inviolable and the company normally takes every opportunity to reassure shareholders on this point. Yesterday, however, the company conceded that if it could not foresee a trading improvement in 1985 it might need to cut the final payment.

A dividend cut at this juncture would be tantamount to an admission of failure by the group's management and would certainly make CU more vulnerable to a bid. Yet, while the group's solvency margin is still quite comfortable at 47 per cent, the repeated calls on reserves to pay the dividend are sapping more than just confidence from the CU team.

Having expanded rapidly against the tide in the U.S. with disastrous results, the group is planning to cut premium volumes sharply when, by its own admission, rates seem at least to be firming in a sustainable way.

The rate increases seen so far are admittedly not enough to generate a proper return but CU is also limited in the U.S. by its relatively modest capital base. The parent

could always inject funds to finance growth but, with the UK now under pressure, Canada turning down again and roughly break-even after tax the best to be hoped from the group this year, CU might understandably be reluctant to throw good money after bad.

Needless to say, annual dividend payment of almost £50m hardly makes the dilemma look any less troublesome.

Marley

Marley has proved since 1982 how adept it is at extracting profits from the home owner when interest rates are declining and the building sector is buoyant. Yesterday's news of a 44 per cent rise in profits to £14.8m pre-tax during the half year to June did nothing to shake the market's faith in that skill. But, as the longer term outlook for interest rates grows cloudier, Marley also needs to demonstrate that it can ride a difficult period without the roof caving in, as it did in 1981 and 1982 when profits almost halved to £1.6m.

Marley has admittedly inherited new management since the last collapse and there is some reassurance to be drawn from a strong performance in South Africa in the teeth of 25 per cent interest rates. Even so, the market is not taking too much on trust and has shaved full year forecasts from as much as £40m to £29m. Taxing those profits at 42 per cent gives a conservative p/e of about seven at last night's price of 75p.

Even leaving the demand cycle to one side, Marley is having to contend with two new entrants to its roof tiling market and the persistence of losses from its Ingrid house products business in the U.S. Marley aims to have this operation in the black next year and has high hopes for its rapidly expanding DIY operation in the UK. But, in the stock market, the jury is still out.

Commercial Union hit by losses in Britain

By Eric Short in London

COMMERCIAL Union Assurance, one of Britain's largest composite insurance groups, yesterday reported a pre-tax loss on its worldwide operations for the second successive quarter, resulting in a pre-tax loss of £14.5m (\$18.8m) for the first six months against a £30.4m profit for the corresponding period last year.

The company is holding its interim dividend payment at last year's figure of 4.55p, however. It turned a pre-tax loss into a shareholders' profit by crediting £27.5m of realised investment gains — an unusual accounting practice for an insurance company which tends to put capital gains into shareholders' funds.

Underwriting losses — the excess of claims and expenses over premiums received — on its general insurance business climbed from £124.5m in the first half of last year to £174.1m in this year's first six months, of which £160m came from the U.S. and £14.1m from the UK.

The U.S. CU's largest operating area, has been causing problems for some years. The company has been taking corrective action, however, by raising premium rates, reducing staff and cutting unprofitable lines.

Although it has been reducing its expenses, the premium increases have not stopped losses continuing to rise on its commercial business. Personal business has been hit by what the company describes as "heavier than usual natural catastrophes".

The U.S. position would have been far worse had CU not extended last year's reinsurance arrangements which curtailed losses at the expense of future investment growth.

Although the U.S. experience was not unexpected, the size of losses in the UK came as a complete shock, being triple those of last year.

Winter storms cost £12.1m in the first quarter. The £8.1m bill for subsidence claims is double that of last year and rising steadily. Employees are making more claims under employers' liability insurance and many of these have trade union backing.

The UK deterioration resulted from premium rates for most UK insurance being too low, especially on house buildings and contents.

Mr Cecil Harris, CU's chief executive, admitted this and said the group was examining its premium rates. He also said, however, that CU would not increase rates unless there was a general market move in this direction.

CU's share price fell 11p to 193p, not on these results but on hints that the insurer might cut its final dividend if the anticipated recovery was not evident by next February.

CU maintained dividend payments although profits have fallen.

Details, Page 29

E. Germany has 'no desperate need for West's \$327m credit'

By Rupert Cornwell in Bonn

AN APPARENTLY strong first-half economic performance and a relatively comfortable foreign debt position suggest that East Germany has no desperate need for the new DM 950m (\$327m) credit extended by West German banks.

This is the main conclusion of a study prepared by the authoritative West German DIW research institute, built on the official data for the East German economy in the first half of 1984, recently released in East Berlin.

DIW's report comes against the background of much warmer relations between the two Germanys. The rapprochement is due to be cemented by the first-ever visit of Herr Erich Honecker, the East German leader, to West Germany at the end of next month.

Preliminary figures indicate that the East German economy, as measured by "produced national income," rose by 5.1 per cent in the first six months, against a yearly target of only 4.4 per cent contained in the national plan.

DIW notes that the sustained expansion — which follows 4.4 per cent growth in 1983 — has been managed in spite of shortage of raw materials and investment goods.

Investments in fact dropped by some 3 per cent over the period, according to the institute.

East Germany's success in boosting foreign trade by 10 per cent in the first six months — compared with a targeted 5 per cent — is particularly "surprising," DIW says.

The main factor seems to have been an 18 per cent jump in deliveries to the Soviet Union.

The country faces repayments totalling "at most" 20 per cent in 1984 of its estimated gross foreign debt of between \$8bn and \$9bn. More over, quite apart from the DM 950m credit, East Germany has also raised \$115m on the Euromarket this year.

DIW comments that there are "no discernible economic factors" arguing for emergency use of the credit. East Germany's liquidity position is "not unfavourable," while no major foreign investment purchases are in sight.

Despite the furore in the Soviet press over the improvement in East-West German ties, officials in Berlin are still convinced the Honecker trip will go ahead.

Reuters reports: In Düsseldorf, Herr Hans Küster, deputy director of East Germany's Leipzig Fair, said that trade between East and West Germany had increased in the first half of 1984 and this trend was expected to continue. He gave no figures.

East Germany regarded the huge number of West German companies expected at the Leipzig Fair as an indication that West Germany was prepared to intensify and extend bilateral trade, he said. East Germany would contribute its share to this.

West Germany, with 500 companies, is expected to be the biggest Western participant at the week-long fair next month.

Executives raise cash for working UK miners

By Sue Cameron and Philip Bassett in London

MORE THAN 100 leading British businessmen have raised in excess of £30,000 (\$38,000) in the past three weeks in support of a fund for UK miners who want to return to work in defiance of their union.

It is understood that the cash is being used to pay the legal fees and other expenses of miners who want to see an end to the 22-week-old strike over pit closings. The money, which is still flowing in, has come out of the businessmen's own pockets and not from their companies.

Some of the money is expected to go towards paying the costs of Mr Bob Taylor and Mr Ken Foulstone, two south Yorkshire miners who are issuing writs against the National Union of Mineworkers (NUM). The writs, which call for a national ballot on the strike to be held within 28 days, are due to be considered by the High Court in London later today.

Lord Hanson, chairman of Hanson Trust, and Sir Henry Laing, chairman of United Biscuits, are believed to be among the businessmen supporting efforts to raise the money. The cash is apparently being put into a fund held by a firm of solicitors in Newark, Nottinghamshire, which is acting for Mr Taylor and Mr Foulstone.

A written appeal for money to help the miners who are opposed to the strike is being circulated among chairmen, chief executives and managing directors of major companies. It is headed by a quotation from Edmund Burke: "All that is needed for evil to triumph is that good men do nothing." It goes on to point out that striking miners and NUM pickets are receiving financial support from sympathetic local councils, from collections at factory gates and from other sources.

"On the other side are the Nottinghamshire and other miners who have carried on working," the appeal says. "They are now actively trying to persuade miners in other coalfields to return to work."

Information on the activities of the miners opposed to the strike — and their need for funds — has been spreading fast, often by word of mouth. The unofficial leader of the back-to-work movement is Mr Chris Butcher, a 34-year-old Nottinghamshire miner. Until his identity was revealed last weekend he carried out his campaign under the alias of Silver Birch.

He said the alias was needed because he feared for the safety of his wife and family. Police have been guarding his National Coal Board home at New Ollerton, near Mansfield, throughout this week.

Groups of anti-strike miners in Scotland and South Wales are also known to be considering whether they could take legal action against NUM officials over their conduct of the strike. It is thought money might be raised to help them with legal expenses if necessary.

Police yesterday mounted an operation in the north of England in an attempt to trace an organisation of militant miners which is held responsible for command-style attacks on coal board properties.

In Doncaster, south Yorkshire, on Tuesday evening about 50 men in a number of cars and a truck drew up outside the NCB headquarters and threw stones and bricks at the windows causing damage estimated at £2,000. A similar attack occurred at Harworth colliery, in Nottinghamshire.

An NCB spokesman said: "It's difficult to understand what is behind this mindless vandalism. It is nothing that can be equated with picketing. There was no one to picket. It's simply trying to create havoc and terror for no purpose."

German toolmakers attack UK aid for Japanese plant

By Jonathan Carr in Frankfurt

WEST GERMANY'S machine toolmakers have stepped up their attack on the grant being made by the British Government to help the Japanese build a machine tools plant in Britain.

The German machine toolmakers association (VDW) particularly criticised the European Commission for approving the British aid, and said it would continue to oppose the Brussels decision with all legal means.

The Commission only gave its assent last month to the £5.2m (\$6.8m) grant which will help Yamazaki build a plant to make computer-controlled machine tools near Worcester. Yamazaki is investing £30m in the project.

The German association argued that "through this subsidy made with EEC approval probably 200 jobs will be created in Britain but many times that number of jobs will be destroyed in the European machine tools industry."

The association pointed out that British, which had long appealed for European protectionist aid against Japanese machine toolmakers, was now offering Yamazaki "cheap production capacity."

The association's protest comes as the German industry, the world's biggest machine tools exporters with 23 per cent of the international market, is showing clear signs of recovery after the recession.

Incoming orders in the first half were up by 33 per cent, admittedly against a very weak performance in the first six months of 1983, with domestic demand even stronger than that abroad.

After a fall in sales of 7 per cent to DM 9.1bn (\$3.12bn) last year, sales in the first half of this year were down by only 3 per cent and are expected to pick up strongly in the second half.

Despite this improvement, the Germans are increasingly aware of the Japanese, with around 15 per cent of the world export market, snapping at their heels. A recent study stressed that the Germans could well face stronger competition from the Japanese in Eastern Europe, which takes, about one fifth of German machine tool exports.

STC may lift bid for ICL

Continued from Page 1

and constructive discussions. It was agreed that both parties would exchange comprehensive information concerning each company, particularly to ascertain the extent of the benefits which could flow from a merger of the two businesses.

"Indications are that this exchange will lead to a material improvement of STC's offer," the companies said.

It was understood that, if the talks were successful, an increase of at least 5 per cent could be expected in STC's share offer.

Teaching foreigners to be perfectly English

By Arthur Sandles in London

WANT to know the wrinkles about British etiquette and information on where to find a plumber. A holiday is offered as a follow up service.

The British are, apparently, very forgiving to foreigners for most things, but there are areas of sensitivity. "We have to tell them not to make jokes about the Royal family." The other non-joke area, it seems, is country sports. "We explain that in Britain if you go hunting you do not take a gun."

The course, which costs only £2,000 if the executive does not involve a spouse, includes all meals and accommodation. It explains about insurance and medical services and has a special session on "an Englishman, his bottle and his guests."

Most of the directors of the company are Scandinavians and the first clients have proved to come from that region. The British view of Scandinavia is one of an egalitarian society which, if correct, might make the sessions on "nanny, butler etc." fascinating.

The Pedersen family has been living in Britain for nearly 20 years. "The children are going back to Denmark to learn how to be Danish," says Mrs Pedersen. "We made so many mistakes when we first arrived. I blush to think of them."

Her husband blushes too, but not, he hopes, their clients.

World Weather

Area	Temp	Wind	Cloud	Pre	Temp	Wind	Cloud	Pre
Africa	27	27	27	27	27	27	27	27
Asia	27	27	27	27	27	27	27	27
Americas	27	27	27	27	27	27	27	27
Australia	27	27	27	27	27	27	27	27
Europe	27	27	27	27	27	27	27	27
Japan	27	27	27	27	27	27	27	27
South America	27	27	27	27	27	27	27	27
UK	27	27	27	27	27	27	27	27

Readings at mid-day yesterday.

C=Cool D-Dry F-Fair Fy-Fog H-Hail R-Rain S-Sun SI-Sleet Sn-Snow T-Thunder

Progress Report No 7 from

Britain's No.1 manufacturing exporter

Live firing confirms potency of Sea Eagle sea-skimming missile

The first firing of a Sea Eagle missile fitted with a five warhead against a warship at sea has further demonstrated the potency of this new-generation, long-range, anti-ship missile. Launched at low level from a Sea Harrier of HMS Illustrious, Sea Eagle scored a direct hit on a decommissioned destroyer, causing damage which, in an operational setting, would have completely disabled the ship.

Sea Eagle has completed R & D firings and is now undergoing MoD evaluation trials.

RAF order for two BAe 146 jets for Queen's Flight

The RAF's decision to equip the Queen's Flight with two BAe 146 four-engine jets has been confirmed by the Minister of State for Defence Procurement, Mr Geoffrey Pattie. The 146s replace the BAe Andover turboprop transports with which the Flight has been equipped for nearly 20 years. British Aerospace takes particular pride in this unique record of continuity. The new Queen's Flight aircraft will have wing-root fillet fuel tanks extending the range to 1,700 nautical miles.

New overhaul contract adds to Canberra's 30-year earnings

Thirty years after first entering production, the versatile Canberra jet bomber, reconnaissance and trainer aircraft is still adding to its earnings for British Aerospace. A contract worth several £ million was recently placed with BAe for the overhaul of RAF Canberras delivered in the 1950s. The value of export sales of new and refurbished Canberras totals £156 million, mostly achieved in the years before runaway inflation.

£1,000,000 investment in expansion of PCB production facility

The new £1 million investment in the expansion of BAe's very modern Printed Circuit Board production facility at Bristol will further strengthen our capability in a specialised area of hypertechnology of critical importance to future development of advanced missile systems. The new, highly automated production line will make possible high rates of output and, more importantly, will enable three times more components than previously to be packed on a given board area.

More examples of how British Aerospace's unequalled experience in hypertechnology is helping Britain to maintain world leadership.

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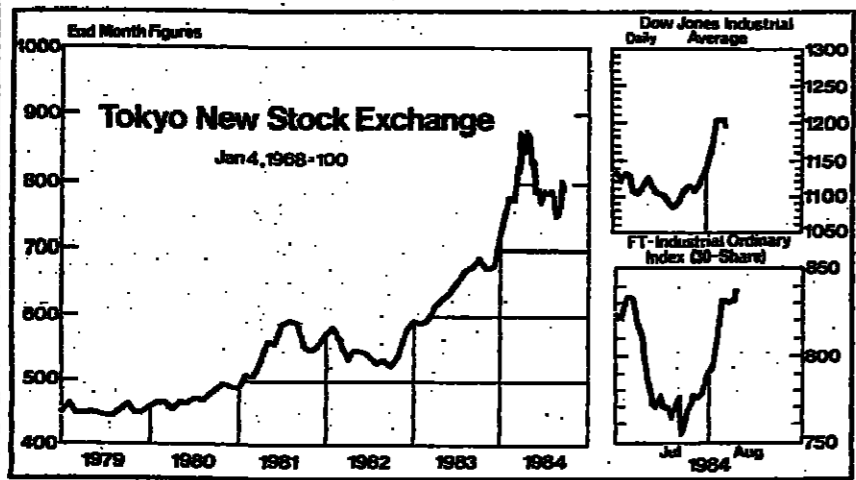
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SECTION II - COMPANIES AND MARKETS
FINANCIAL TIMES

Thursday August 9 1984

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KEY MARKET MONITORS



STOCK MARKET INDICES

	Aug 8	Previous	Year ago
NEW YORK			
DJ Industrials	1,196.11	1,204.62	1,183.06
DJ Transport	511.38	526.1	532.5
DJ Utilities	125.67	125.05	127.60
S&P Composite	161.75	162.71	158.18
LONDON			
FT Ind Ord	839.0	830.5	725.4
FT-SE 100	1,080.7	1,088.7	972.3
FT-A All-share	508.3	501.33	454.06
FT-A 500	548.47	542.9	495.22
FT Gold mines	527.6	521.0	628.1
FT-A Long gilt	10.64	10.72	10.83
TOKYO			
Nikkei-Dow	10,247.12	10,313.63	8,960.00
Tokyo SE	782.67	787.03	658.93
AUSTRALIA			
All Ord.	729.4	728.4	672.7
Metals & Mins.	463.0	458.9	583.5
AUSTRIA			
Credit Aktien	53.37	53.4	55.32
BELGIUM			
Belgian SE	148.03	147.92	131.26
CANADA			
Toronto			
Metals & Mins	1,876.51	1,894.85	-
Composite	2,280.47	2,290.22	2,402.0
Montreal			
Portfolio	112.60	113.19	118.18
DENMARK			
Copenhagen SE	192.49	193.03	165.59
FRANCE			
CAC Gen	180.9	180.9	130.4
Ind. Tendence	104.7	104.1	82.8
WEST GERMANY			
FAZ-Aktien	333.69	332.61	320.11
Commerzbank	993.1	985.4	946.2
HONG KONG			
Hong Seng	894.13	885.49	1,028.0
ITALY			
Banca Com. I	215.28	213.17	198.58
NETHERLANDS			
ANP-CBS Gen	160.8	159.0	139.9
ANP-CBS Ind	128.5	127.9	113.0
NORWAY			
Oslø SE	280.20	258.34	201.62
SINGAPORE			
Straits Times	972.60	983.51	910.67
SOUTH AFRICA			
Gold	850.2	828.0	873.8
Industrials	864.4	822.2	928.3
SPAIN			
Madrid SE	140.23	140.36	119.29
SWEDEN			
J & F	1,526.35	1,533.39	1,519.29
SWITZERLAND			
Swiss Bank Ind	371.8	370.8	348.7
WORLD			
Aug 7			
Capital Int'l	179.4	180.5	174.5
GOLD (per ounce)			
London	\$345.25	\$345.50	
Frankfurt	\$344.25	\$342.50	
Zurich	\$344.25	\$342.75	
Paris (bidding)	\$344.10	\$344.54	
Luxembourg (bidding)	\$343.50	\$346.75	
New York (Aug.)	\$344.40*	\$350.40	

WALL STREET

Turbulent ride for airlines

The newly regained strength of Wall Street stock markets did not stand up to a further test yesterday. Buyers backed away in the latter half of the session, and prices moved downwards, still in hefty trading, writes Terry Byland in New York.

The Dow Jones industrial average dipped below 1200 to close a net 8.51 points down on the day at 1196.11. Turnover, at 122.4m shares, was the lowest since the market commenced its upsurge but still heavy by previous standards.

Last week's gains in airline stocks were sharply reversed on fears of another round of price cutting.

The mixed trend in stocks contrasted with confidence in the bond market following a highly satisfactory outcome to the first leg of the Treasury auctions.

Long-dated bonds gained nearly half a point at one time, and optimism ahead of today's auction of \$4.75bn in 30-year federal bonds was boosted by the appearance of Japanese and other foreign buyers at Tuesday's sale of three-year notes. In pre-auction trading, the 30-year bonds held to a yield of 12.50 per cent.

The bond market was also helped by favourable comments on inflation and money supply from Mr Paul Volcker, the Federal Reserve chairman at the House Foreign Affairs Committee.

Share trading remained heavy by all but the most recent standards, and there were new buyers as well as profit-takers in the market. However, the driving force of the institutions which fired the gains of last week was restrained.

The disclosure that People Express, the cheap airfare specialist, will offer flights on the lucrative New York-Chicago route this month reawakened fears of another round of the disastrous price-cutting wars which savaged the U.S. airline industry three years ago.

Stocks in several major carriers, including American Airlines, which faces direct competition on the Chicago route, made a delayed trading start after warnings from two brokerage houses sparked a rush of selling orders.

AMR, holding company for American Airlines, opened at mid-morning, with the stock \$3 1/2 down at \$37 1/2, and nearly 1 1/2m shares traded within two hours.

But with industry analysts reported to be more bullish on prices, oil stocks were strong. Exxon at \$40 1/4 gained \$ 1/4, Atlantic Richfield added \$ 1/4 to \$45 1/4, Texaco added \$ 1/4 to \$33 1/4 and Phillips Petroleum was \$ 1/4 up at \$36 1/4.

IBM shed an early gain to stand unchanged at \$120, while other Dow component stocks to ease included General Motors, \$ 1/4 off at 75 1/4, Merck \$ 1/4 lower at \$86 1/4 and Ford, \$ 1/4 down at \$45 1/4.

Digital Equipment, second to IBM in the information processing industry, plunged \$ 1/2 to \$91 1/4 in heavy trading on disappointment with the earnings statement. Another weak feature was E Systems, the defence electronics group, which slumped \$ 1/2 to \$23 1/4 after E. F. Hutton, the brokerage house, downgraded profit forecasts for the group.

American Can, the consumer products group, eased \$ 1/4 to \$45 1/4 after the announcement that plans to issue 2m new shares have been filed with the SEC.

But there were many firm features. Federal National Mortgage, the corporately funded leader of the mortgage market, added another \$ 1/4 to \$13 1/4. Renewed demand for rail issues took Union Pacific up \$ 1/4 to \$40 1/4.

In the credit sector, short-term rates were able to ease a shade after several sessions of upward trends. The federal funds rate was shaved to 11 1/4 per cent, and money market rates shed 10 basis points or so.

In the bond markets, gains were trimmed as traders settled down to await the outcome of the auction of \$5.5bn in 10-year Treasury securities. The key long bond of 2014, at 105 1/4, showed a net gain of 1/8.

LONDON

INSTITUTIONAL investors in London unleashed more of their pent-up funds yesterday as UK base interest rates were trimmed by a 1/2 percentage point. Long-dated gilts and index-linked issues rose a point while shorts gained as much as 1/2.

Leading equities were initially reluctant to follow the lead set by gilts until renewed heavy U.S. demand for Royal Dutch, £2 up at £37 1/4, combined with rising crude oil prices to trigger sustained domestic support for many oil shares. Shell jumped 26p to 620p, and BP rose 14p to 465p.

Interest spilled over into other blue chips, with early losses transformed into medium-sized gains. The FT Industrial Ordinary index, slightly off at midday, spurred to finish 8.5 up at 839.0, its highest level for over two months.

Chief price changes, Page 26; Details, Page 27; Share information service, Pages 28-29

AUSTRALIA

A MEASURE of confidence developed after a shaky start to Sydney trading yesterday, with the All Ordinaries index closing 1 point higher at 729.4, largely due to buying support for leading resource issues.

BHP was 10 cents higher at A\$10.60 although CSR dropped 4 cents to A\$3.32. Metals and golds saw Placer rise 50 cents to A\$17.80, CSR 8 cents to A\$5.40, Comalco and Western Mining 5 cents each to A\$2.55 and A\$3.40 while EZ Industries gained 4 cents to A\$6.36.

Oil and gas-related stocks were generally weaker, as were banks, with ANZ 5 cents lower at A\$4.85 and Westpac 1 cent down at A\$3.92.

HONG KONG

THE LATEST round of Sino-British talks on the future of Hong Kong induced many investors to remain on the sidelines during the regular half-day session yesterday. The Hang Seng index reversed an early 4.45 loss to end 8.64 up at 894.13.

China Light gained 10 cents to HK\$12.20 on higher group electricity sales for the last nine months. Others to move ahead were Cheung Kong, 20 cents up at HK\$8.15, and Hongkong Electric, 10 cents to HK\$5.85.

Banks were mixed, with Hang Seng Bank 25 cents down at HK\$3.11, while Hongkong Bank was steady at HK\$6.25.

SINGAPORE

THE TECHNICAL correction continued in Singapore yesterday with the Straits Times index 10.91 down at 972.60. Further profit-taking is expected tomorrow after today's bourse holiday.

Pan Electric, 17 cents down at S\$2.99, was again the most actively traded share with 1.7m changing hands after a decision by the exchange to classify the company "designated security."

SOUTH AFRICA

THE PARTIAL recovery in the bullion price buoyed Johannesburg gold shares again, with most other related sectors gaining confidence as a result.

Free State Geduld advanced 75 cents to R51.50 while Buffels put on 50 cents to R72.50. In mining financials, Anglo-American Corp rose 70 cents to R22.75.

EUROPE

Optimism gains the upper hand

DOUBTS over the outlook for interest rates and the impact of a firming dollar were shrugged off in many European centres yesterday, and the bourses resumed their advance in the wake of Tuesday's setback.

Some surprise was expressed in Frankfurt at the way the market was apparently able to brush aside the traditional sentiment dampeners.

The Commerzbank index added 3.7 to 969.1, clawing back a little of the previous session's 13.2 point fall.

The advance was spearheaded by the banking sector, which saw Commerzbank DM 4.50 ahead at DM 150 and Dresdner DM 5.30 firmer at DM 152.50.

A DM 2 decline for Deutsche Bank to DM 529.50 came as the bank floated a DM 750m, 4 per cent convertible bond.

Motor manufacturers returned to the advance after Tuesday's falls, while in electricals, Siemens put on DM 3 to DM 385, making up much of the previous two days' losses.

A DM 24.20 advance for PKI to DM 470 was attributed to strong demand in a



tight market for a share currently seen as undervalued.

Bonds were generally firmer as the Bonn cabinet agreed on the need to remove coupon tax on foreign holders of West German fixed interest domestic securities.

The Bundesbank sold DM 14m of paper into the market after purchases the previous day totalling DM 7.1m.

The firmer dollar encouraged foreign investors to return to the Amsterdam bourse and shares were higher in active trading. The ANP-CBS general index added 1.8 to 160.8.

Among major companies, Royal Dutch rose FI 7.30 to FI 158.80 ahead of half-year results today.

Banks regained popularity with ABN up FI 6.50 to FI 318.50 and NMB FI 3.50 to FI 136.50.

Bonds were steady to moderately higher although volume remained fairly low.

Brussels recovered after the broad declines seen on Tuesday, led by a BFr 30 rise to BFr 6,770 for market leader Petrofina and advances for the utilities sector.

The ACEC engineering group also added BFr 12 to BFr 702 in response to its part in a contract to build a metro line in Kuala Lumpur.

Paris improved in calm trading, with the OECD report on the French economy containing few surprises for the market.

Zurich ended mixed after a light trading session, with some cheap late buying paring earlier losses.

The performance of banks was irregular while in financials, the recently favoured Oerlikon-Bührle shed SwFr 20 to SwFr 1,200.

The bond market closed mixed, also in thin trading, with fears of further U.S. interest rate rises dampening the mood.

A selectively firmer trend was seen in Milan in moderately active trading, led by insurances and banks. Generali added LI.280 to L34.900. Leading industrials were generally easier.

An easier tone was seen in light Madrid trading, with some of the sharpest declines seen in the steel sector.

Sweden was also slightly lower, although the motor manufacturers held unchanged through the session.

TOKYO

Speculatives return to spotlight

LEADING SHARES eased broadly in Tokyo yesterday following Wall Street's erratic performance overnight and the yen's further weakening against the dollar, writes Shigeo Nishiwaki of Jiji Press.

Reflecting the fading popularity of blue chips, biotechnology-based issues and some speculatives returned to the spotlight. But the market remained featureless throughout the day in slow trading.

The Nikkei-Dow market average weakened 66.51 to end at 10,247.12, with turnover estimated at 207.82m shares, down from Tuesday's 228.60m. Declines outnumbered advances 393 to 285, with 182 issues unchanged.

Motor manufacturers included exceptions to the lower trend in blue chips in thin trading. Honda Motor, which served as pace-setter early this week, dipped ¥30 to ¥1,410 on sales by Japanese and foreign investors, while Toyota Motor firmed ¥20 to ¥1,440 and Mazda Motor ¥12 to ¥487.

Other blue chips declined due to a drop in their American Depository Receipts (ADRs) in New York, with Matsushita Electric Industrial falling ¥40 to ¥1,640, Hitachi ¥7 to ¥841 and TDK ¥90 to ¥5,580.

Conversely, incentive-backed speculatives drew buyers' interest. Furukawa was the day's most heavily traded stock at 7.58m shares, but its price shed ¥2 to ¥403 after gaining ¥15 at one stage on speculation about the possible commercial application of a process to extract a heavy metal from seawater.

The second largest volume of 6.28m shares was scored by Teijin, which rose ¥18 to ¥383 on revived investor expectations of its possible development of an anti-cancer drug.

Nippon Light Metal, by contrast, fell ¥10 to ¥218 on small-lot sales triggered by heavy institutional selling.

Foreign sell orders placed with major securities companies came to 13m shares against buy orders for 21m shares.

The bond market remained relatively firm as trust banks issued buy orders when prices weakened in response to the yen's decline against the dollar.

The yield on the barometer 7.3 per cent government bond maturing in January 1993 rose to 7.31 per cent from 7.30 per cent, before slipping back to 7.295 per cent.

CANADA

A STRONG performance by gold shares in Toronto largely offset a feeble base metal and mining sector. Hydrocarbon-related stocks also moved lower but not sufficiently to depress the overall tone of the session.

Similarly Montreal banks managed to provide a bright spot as utilities and industrials displayed early weakness.

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INTL. COMPANIES & FINANCE

This announcement appears as a matter of record only.

August 1984



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US\$250,000,000

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Maturing June 30, 1990

Provided by

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June 30, 1984



U.S. \$20,000,000

Bearer Depository Receipts

representing undivided interests in a

Floating Rate Deposit finally due 1986-

with

C. A. Cavendes

Sociedad Financiera

(Incorporated with limited liability in the Republic of Venezuela)

evidenced by consecutive three month Certificates of Deposit

Notice is hereby given pursuant to the

Terms and Conditions of the Bearer Depository Receipts

(the "BDRs") that for the three months from

9th August, 1984 to 9th November, 1984

the BDRs will carry an interest rate of 12 1/2% per annum.

On 9th November, 1984 interest of U.S.\$32.10 will be

due per U.S.\$1,000 BDR and U.S.\$321.04 will be

due per U.S.\$10,000 BDR for Coupon No. 21.

European Banking Company Limited

(Agent Bank)

9th August, 1984

U.S. \$100,000,000

The Sumitomo Trust Finance (H.K.) Limited

(Incorporated in Hong Kong)

Guaranteed Floating Rate Notes Due 1994



Guaranteed as to payment of principal and interest by

The Sumitomo Trust and Banking Company, Limited

(Incorporated in Japan)

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from 9th August, 1984 to 11th February, 1985 the Notes will carry an Interest Rate of 12 1/2% per annum. The interest amount payable on the relevant Interest Payment Date which will be 11th February, 1985 is U.S. \$642.60 for each Note of U.S. \$10,000.

Credit Suisse First Boston Limited

Agent Bank

U.S. \$40,000,000



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Vienna

Floating Rate Notes Due 1989

In accordance with the provisions of the Notes, notice is hereby given that for the three month Interest Period from 9th August, 1984 to 9th November, 1984 the Notes will carry an Interest Rate of 12 1/2% per annum. The relevant Interest Payment Date will be 9th November, 1984 and the Coupon Amount per U.S. \$1,000 will be U.S. \$31.31.

Credit Suisse First Boston Limited

Agent Bank

U.S. \$20,000,000



Den norske Creditbank

Floating Rate Subordinated Capital Notes

Due 1990

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Credit Suisse First Boston Limited

Agent Bank

Hong Kong property developer in the red

By David Dodwell in Hong Kong

INTERNATIONAL City Holdings, the Hong Kong property development company controlled by Mr Li Kashing, yesterday revealed losses after exceptional and extraordinary items amounting to HK\$458.36m (US\$58.5m) in the six months to June 30, compared with a profit of HK\$106.6m at the half-way stage a year ago.

The company said the deterioration resulted from the need to make provisions for "the diminution of land value" on properties for sale and others which make up fixed assets.

At the end of June, the company suffered a severe setback when Everbright Industrial, the Chinese company headed by Mr Wang Guangying, backed out of a HK\$1bn deal agreed in January to buy 1,100 flats in Hong Kong's City Garden development.

Yesterday, International City would not comment on suggestions that the exceptional provision of HK\$372.1m was linked with the collapse of this deal. A further HK\$136.2m extraordinary provision was made against a fall in the value of land which makes up fixed assets.

The company said it will pay no interim dividend.

It is understood that the decision by Everbright to withdraw its City Garden flats offer is currently the subject of a Securities Commission investigation. On cancellation, Everbright revealed a hit on its unpublished agreement that it could withdraw within six months, recouping not just its 10 per cent deposit but also the interest earned on the deposit.

North Borneo Timbers ahead

SINGAPORE — The North Borneo Timber Company, the forest products group, yesterday announced a pre-tax profit of 14.3m ringgits (US\$6.1m) for year ending May 1984, against 6.7m ringgits previously.

After tax group profits rose to 7.2m ringgits compared with 4.8m ringgits. A final dividend of 10 per cent less tax has been proposed.

North Borneo Timbers has invested in a joint venture in Sabah and is generally developing some 60,000 hectares of logged-over land in Brumas and Luasong.

AP-DJ

Japanese bank costs 'will rise with deregulation'

BY ROBERT COTTRELL IN TOKYO

JAPAN'S city banks will be almost half their funds at free-market interest rates within three years, compared with just over one-fifth of funds now, according to an analysis presented yesterday by Mr Kazuo Kida, chief economist of Sumitomo Bank.

Mr Kida, addressing a seminar on Japan's financial liberalisation, said that the city banks' large mainstream commercial banks—now pay market interest rates for only 21.8 per cent of their funds. The banks' regular time deposits are raised at low, fixed rates linked to the Bank of Japan's official discount rate. Market interest rates are payable only on funds which the banks raise through non-resident and foreign currency deposits; certificates of deposit; debenture issues; and call market money.

His estimates are based on the aggregate balance sheet of all 13 city banks at the end of March 1984; the Japanese Government's professed inten-

tion of liberalising interest rates on large deposits; and his own assumption that, within two to three years, amounts over ¥10m (841m) will be deemed "large" deposits and thus exempted from interest rate regulation.

Simple deregulation of large deposits would raise the proportion of funds raised at market rates to 42.3 per cent, said Mr Kida. But in practice, he believed, the proportion would be higher still, since market rates would attract additional funds out of demand deposits and into higher-yielding time deposits.

The raising of a higher proportion of funds at market interest rates is likely to squeeze banks' profit margins on straight lending business. Official estimates suggest that the limited degree of financial liberalisation already achieved in Japan contributed to a shrinkage of the gap between city bank average short-term lending rate, and their average cost of funds, from around 5.5

percentage points in 1972 to 2 percentage points in 1983.

Bankers acknowledge that the liberalisation of Japan's financial structure, particularly of its interest rates, will create a more competitive environment, perhaps threatening less efficient institutions. In its report on the economy for the current financial year, published earlier this week, the Government's economic planning agency said it would be paying particular attention to the "soundness of the financial system and to the protection of investors."

Mr Kida said yesterday that, as Japan moves towards a regime of market interest rates, it will be necessary for banks to shift emphasis away from the simple expansion of deposits, and towards more sophisticated asset and liability management.

He believed that, with the deregulation of its financial markets, Japan would become within a decade the major international financial centre of Asia, eclipsing both Hong Kong and Singapore.

Tisco buys stake in metals group

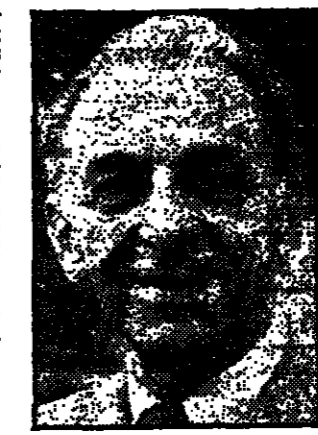
BY R. C. MURPHY IN BOMBAY

TATA IRON and Steel Company (Tisco), India's largest private sector company, plans to acquire 11 per cent of Davy Ashmore India, an associate of Davy McKee of the UK.

Tisco has contracted to purchase from the British company 125,000 shares at Rs 17 each, and is awaiting Indian Government approval for the deal. The Davy shareholding in its India operations will be reduced to around 30 per cent.

The Calcutta-based Davy Ashmore India (Dail) manufactures equipment for the ferrous and non-ferrous metal industries and undertakes contracts for heavy plant construction. It made a net profit of Rs 4.86m (2421,000) for the year ended March, 1983. Tata is expected to strengthen Dail management and the possibility exists of a complete takeover of the company.

Tisco also proposes to purchase an ailing bearing manufacturing plant from Metal Box India, an associate of Metal Box of UK Mr R. H. Mody, Tisco's vice-chairman, says the bearing plant, which is being modernised, is expected to be turned round into the black in two years. Tisco bearings have a market within the Tata group, which makes trucks and materials handling equipment.



Mr J. R. D. Tata sees bright prospects

The third area of diversification for Tisco is the takeover of Bombay-based Special Steels, a steel fabricating unit with a rolling mill facility. A Tisco subsidiary, Kalimati Investment, has taken a 57 per cent stake in Special Steels.

Tisco also plans to participate along with the Government of the northern state of Bihar in Kumaradul Metals Castings and Engineering Company, which plans to restart production after a four-year shut-down.

The diversification plans are dovetailed into the Rs 4.5bn second phase of Tisco's modernisation plan, which includes installation of a 400,000 tonne modern hot and cold mill over the next five years. Specifications of the plant and production are being finalised and international bids are to be invited for supply of equipment.

Mr J. R. D. Tata, Tisco chairman, says the second phase of modernisation is to be financed mainly from retained earnings and loans from the Steel Development Fund. The company may have to raise some foreign currency loans abroad to cover the cost of imported equipment. Profits of Tisco were halved to Rs 200.1m in the year to March 1984, from Rs 445.7m the previous year. The turnover rose by 11.45 per cent to Rs 8,896m against Rs 7,956m.

The decline in profits was because of doubling of depreciation to Rs 431.4m after the Government revised the rate of depreciation provision to 10.6 per cent from 6.8 per cent. The dividend was maintained at 17 per cent.

Mr Tata says prospects for Tisco this year are bright. The Government announced in June a 15 per cent increase in steel prices for certain categories of steel.

Australian insurer posts 38% rise in earnings

BY LACHLAN DRUMMOND IN SYDNEY

NATIONAL Commercial Union boosted net earnings by 38 per cent from A\$10.25m to A\$14.2m (US\$12m) in the year to June 30 after an improved underwriting performance and higher investment return.

The insurance group, in which both Commercial Union of the UK and National Mutual of Australia have a 46 per cent stake, saw its underwriting loss cut from A\$10.8m to A\$8m after the 24 per cent increase in net premium income to A\$187m outstripped the growth in claims and other expenses.

Investment income totalled A\$29.7m compared with A\$27.7m and before tax earnings were ahead from A\$18.9m to A\$21.7m. After counting in A\$6.5m of extraordinary gains from the sale of investments and properties (A\$139,000 last time) the attributable profit came to A\$20.6m, almost double last year's A\$10.4m.

The first and final dividend is up from 7.5 cents to 11 cents for a total payout of A\$6.6m against A\$4.5m.

Promet, the diversified construction group, is to acquire half of Bousteado Singapore's holding in Bousteado Australia, the industrial machinery manufacturer and distributor, for A\$2.45m (U.S.\$2m). Reuter reports from Melbourne.

Promet will buy 3.59m Bousteado Australia ordinary shares, equal to half Bousteado's 84.4 per cent stake, for 40 cents each, and half the 40,000 12 per cent preference shares, now wholly owned by Bousteado, for A\$100.

\$64m loan deal for China project

HONG KONG — A construction company in Hong Kong and two companies in China's Zhuhai special economic zone signed a U.S.\$64m loan agreement with a bank syndicate for a joint development project in the economic zone, said Lloyds Bank International yesterday.

The project will be 40 per cent owned by Hong Kong-based Gladhover, 40 per cent by Nanhai Oil Zhuhai Special Economic Zone Development Services of China and 20 per cent by China Nanhai Oil Joint Services Corporation; also of China.

Lloyds Bank International is the lead manager and agent for the loan.

The loan is divided into two sections: \$36.5m is to be used for construction of offices and apartments, and have a 10-year maturity and carry an annual interest rate of 4 points over the London inter-bank offered rate (Libor) for the first five years and 4 points over Libor thereafter; \$37.5m, to be used for a deep water wharf, has a six-year maturity and carries an annual interest rate of 4 points over Libor for the remaining years.

Other banks involved are: Arab Banking Corporation, Bank of China (Zhuhai Branch); C.T.E. Australia (BK).

ADVERTISEMENT ROYAL TRUST APPOINTMENT

Malcolm G. Gates



Royal Trust announces the recent appointment of Malcolm G. Gates as Vice-President, International Services, Royal Trust Corporation of Canada.

Formerly Managing Director of Royal Trust Bank (Jersey) Limited and with previous senior responsibilities in the Investment Division of Royal Trust's bank in London, England, Mr. Gates brings to this position extensive related experience.

This appointment further reflects the company's commitment to providing quality service to its international clientele. Royal Trust is Canada's leading company in financial services, trust management and residential real estate brokerage.

U.S. \$40,000,000



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Credit Suisse First Boston Limited Agent Bank

SUMITOMO FINANCE (ASIA) LTD

US\$30,000,000 GUARANTEED FLOATING RATE NOTES 1988

For the six months from 9th August 1984 to 11th February 1985, the Notes will carry an interest rate of 12 1/2% per annum. The interest payable on the relevant interest payment date 9th August 1984 against Coupon No. 7 will be US\$645.83 per US\$10,000 Note.

Agent Bank CHEMICAL BANK, LONDON

Weekly net asset value

Tokyo Pacific Holdings (Seaboard) N.V. on August 6th, 1984 U.S.\$69.42

Listed on the Amsterdam Stock Exchange

Information: Pison, Holding & Pison N.V., Herengracht 214, 1016 ES Amsterdam.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS PER 7 AUGUST 1984				
	Today	INDEX	Year's	Year's
US\$ Eurobonds	12.42	-12.87	13.58	11.52
DM (Foreign Bond Issue)	7.82	7.88	7.90	7.14
HLF (Bears Home)	7.88	7.87	8.11	7.84
Can\$ Eurobonds	13.57	13.77	13.38	12.80

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INTERNATIONAL COMPANIES and FINANCE

UK COMPANIES

Van Doorne gearbox maker runs into production problems

BY WALTER ELLIS IN AMSTERDAM

VAN DOORNE Transmissie, the Dutch gearbox manufacturer, which has begun to market one of the most advanced automatic gear systems in the world, may face serious financial difficulties. Production difficulties have emerged in connection with the new system, and management and workers have agreed on the need to restructure the company as a matter of urgency. New methods of mass production are needed if supply is to come anywhere near meeting demand. Only 170 workers are currently employed at the main plant, at Tilburg in the south of the country, and it was expected that more could be taken on as the market for the system grew. Ford, Fiat and General Motors have all made plans to incorporate the Van Doorne continuous shift

system into their vehicles, and Subaru of Japan has also expressed interest. Van Doorne is part controlled by Volvo Car of the Netherlands, but the Dutch state, Fiat and Borg Warner of the U.S. also have important stakes. Development of the gearbox has so far cost about £100m (\$30m), and a statement speaks of the need for "far-reaching" improvements in efficiency. A study is to be carried out during the next few months, and reorganisation will be based on its recommendations. It had been hoped to produce 25,000 continuous shift gearboxes this year, but this is now thought highly unlikely. Ford and General Motors had already spoken of their intention to turn out gearboxes on their own, using parts supplied from Tilburg.

Initial \$300m for BAH creditors

BY ALAN FRIEDMAN IN MILAN

THE 108 Euromarket bank creditors of Banco Ambrosiano Holding (BAH), the Luxembourg offshoot of the late Sig Roberto Calvi's Banco Ambrosiano group, will on Monday receive an initial payment of \$300m from the UK accountants Touche Ross, the court appointed managers of BAH. The Monday payment, made possible by a Luxembourg court of appeals ruling which clears the way for the liquidation of BAH, will represent around 50 per cent of outstanding claims from creditors. An additional \$100m is expected to be paid to creditors over the next few

months. Thus bringing the total payment to BAH creditors up to 67 per cent of their claims. The \$500m payment will include \$125m paid over last month by the Vatican Bank. The Vatican Bank, which directly and indirectly controlled 10 of Ambrosiano's overseas dummy companies, has paid \$240.9m. Touche Ross acknowledged last night that the Vatican payments had been transferred from New York, but said they were unaware of whether the Vatican had been supplied with an American bank loan in order to make its Ambrosiano settlement.

Ekornes buys 75% of Swedish furniture group

BY FAY GJESTER IN OSLO

EKORNES FABRIKKER, one of Norway's leading furniture manufacturers, announced yesterday that it has bought a 75 per cent stake in a major Swedish furniture company, Ulfers' Møbler, for an undisclosed price. Both companies export a significant share of their output, largely to the same countries, and they have for some time been co-operating on the marketing side. Their product ranges are complementary, with Ulfers making fabric-upholstered fur-

niture and cupboards and Ekornes specialising in its own design armchairs and leather-covered furniture. Ekornes turnover in 1983 totalled Nkr 356m (\$41.8m) - 40 per cent of it from exports. These went mainly to the U.S., Sweden, Denmark and the UK. This year it expects exports to account for half its turnover. Ulfers' sales last year reached Skr 277m (\$28.1m). Ekornes predicted that the combined sales this year would reach about Nkr 700m.

Renewed fare war fears hit U.S. airline shares

BY WILLIAM HALL IN NEW YORK

SHARES OF U.S. airlines plunged in early trading on Wall Street yesterday as analysts predicted the outbreak of a renewed domestic airfare war and a further shakeout in the number of carriers. The news that People Express, the fastest growing cut price U.S. airline, plans this month to begin serving the New York to Chicago market, one of the busiest U.S. markets, was the main reason for the sharp sell-off in airlines stocks yesterday. Analysts also note, however, that the summer traffic figures are less buoyant than they had expected and they fear that the combination of the new capacity now being introduced to the market and the slowdown in the economy next year will take its toll on some of the less financially strong carriers. People Express is said to be planning to cut existing fares on the New York-Chicago route by around

a third and will come into direct competition with American Airlines and United, the two biggest domestic carriers, which together offer over 40 flights a day to Chicago and similar fares. People Express will offer between 12 and 13 flights a day and increase the capacity on the route by around a fifth. The extension of the domestic fare war to the busy Chicago market is expected to squeeze margins of many of America's best known carriers. The south west market is already facing pressure following the resumption of operations by Braniff and because of a fare battle between Muse Air and Southwest Airlines. Against this background Wall Street analysts are predicting that some carriers will either go out of business or merge. Braniff, which

restarted operations in March, is still only flying half full and losing money. Yesterday it confirmed that it had held "cursory" talks about a possible merger with other airlines. The airline, which was the biggest casualty of the deregulation of the U.S. airline industry, said, however, that it was not actively seeking a buyer. Meanwhile, Northeastern International Airways, the Fort Lauderdale-based operator which boasts Sir Freddie Laker as one of its directors, is expected to announce a takeover bid for Air Florida today. Air Florida, which filed for protection under Chapter 11 of the U.S. bankruptcy code on July 3, has been ordered to produce a viable plan to resume operations by August 27 or the U.S. bankruptcy court will appoint a trustee to oversee its operations.

Digital earnings up 13%

By Our New York Staff

DIGITAL EQUIPMENT (DEC), the world's second largest computer manufacturer, increased its fourth quarter pre-tax profits by 13 per cent to \$125.7m on the back of a 34 per cent increase in revenues to \$11.05bn, from \$1.23bn. The group's net income in its final three months to the end of June rose by 31 per cent from \$66.02m or \$1.51 a share, to \$130.6m or \$2.26, with the sharp rise being partly due to an adjustment in the group's effective tax rate. For the full year DEC's pre-tax profits fell by \$10m to \$401m although revenues rose by 31 per cent to \$5.58bn from \$4.27bn. However, a \$55.3m drop in the group's tax charge helped push net income 16 per cent higher to \$283.6m or 55 in the 12 months to July 2 1983. The company says that its healthy revenue growth reflects both a strong economic environment and a growing demand for its line of integration hardware products, services and networking software. Mr Alfred Bertocchi, DEC's vice-president of finance, says that "while the industry is increasingly competitive we've made the investments in people, research and development and manufacturing capability to ensure the availability of a very exciting set of products and services."

Canadian group lifts profits at midway

BY BERNARD SIMON IN TORONTO

THOMSON NEWSPAPERS' Canada's largest newspaper publisher which also has substantial U.S. interests, lifted half-year earnings to C\$70.3m (\$54m) from C\$56.8m in the January to June 1983 period. Earnings per share moved up from C\$1.15 to C\$1.42 and revenues from C\$340m to C\$391.4m. The company, which publishes about 30 titles in North America, said the outlook for the rest of this year is favourable. It plans to continue its strategy of buying newspapers in the U.S. Three dailies have

been added so far this year and further acquisitions are likely to be announced soon. Thomson Newspapers is controlled by the Thomson family which also has interests, through International Thomson, in British publishing, UK travel and North Sea oil. Dominion Textile, Canada's largest primary textile group with international operations, earned C\$23.1m (\$17.7m), or C\$1.59 a share, in the year ended June 30 against C\$19m, or C\$1.41 a share.

Chubb and American Can plan share issues

BY TERRY BYLAND IN NEW YORK

TWO LARGE U.S. corporations yesterday announced plans for a public share offering totalling \$162.5m, reflecting further the renewed confidence of the New York stock markets. American Can, which markets a wide range of consumer and insurance products, has registered with the Securities and Exchange Commission (SEC) a proposed offering of 2m shares, while Chubb, the property and casualty insurance group, has filed to issue 1.5m shares. Both issues will proceed as soon

as SEC registration is completed, probably by early next week. Pricing will be decided on the day of issue, but at current market quotations, the American Can issue, managed by Salomon Bros and Morgan Stanley, will raise \$95m and Chubb's, managed by Goldman Sachs, \$67.5m. The new issue market has lain dormant for several months while the U.S. stock markets have languished. The renewed vigour of the stock market suggests a healthier outlook for capital raising by corporations.

Pressure for Danish bourse reform

By Hilary Barnes in Copenhagen

PRESSURE is building up for a reform of Danish stock exchange dealing practices following a decision by the supervisory authority to rule as illegal a computerised dealing system introduced last spring by Copenhagen stockbrokers. The stock exchange authority claim that broking firms' system conflicts with the legislation under which the stock exchange was set up and which provides it with an exclusive right to deal publicly in shares and bonds and to list prices. Under the Danish system, each share is called once a day and official prices established. Only the 27 Copenhagen stockbroking firms are allowed to deal on the stock exchange. It is estimated, however, that over 90 per cent of actual trading in Danish securities takes place off the floor of the stock exchange, normally by telephone between financial institutions. Against this background, the official system is increasingly being seen as outdated. Mr Flemming Goldin of stockbroker Ludwig Kalkar introduced the computerised dealing system to make the off-bourse market more apparent. His system is in principle similar to the computerised dealing system being considered for introduction on the London Stock Exchange. Mr Goldin said: "For the past 30 or 40 years the problem of official bourse quotations has been solved by telephone trading. All I have done is to add a computer to the system." He is appealing against the bourse authority's decision. In the meantime, the trading system is still in use.

Mercury Securities in merger talks with stockjobber

BY ALEXANDER NICOLL IN LONDON

MERCURY Securities, the holding company for the British merchant bank S. G. Warburg, is holding preliminary merger talks with Akroyd & Smithers, the large UK stockjobber in which Mercury already has a 29.9 per cent holding. A full combination of the two would create a powerful force in UK securities markets and would be along the lines of alliances arranged by other institutions in the City's current shake-up. A merger would be barred at present by Stock Exchange membership rules. But combinations agreed by other firms - beyond the 29.9 per cent limit now allowed for an outside stake in an Exchange member - have been made conditional upon a relaxation of the limit. Akroyd, the second largest jobber or market maker, disclosed that "tentative" talks were under way yesterday in order to dampen market speculation that a bid would be made for the jobbing firm. The share prices of both companies rose sharply during the morning. Akroyd's statement, issued after consultation with Mercury, said any combination would be through a merger. "It is not envisaged that an offer would be made by one company for the other." Share prices for both companies softened sharply higher. Mercury gained 28p to 488p, valuing its order

book at £210.3m (\$273m) and Akroyd rose 20p to 475p, giving it a £108.4m market value. Mercury and Akroyd were among the first to form a link during the current trend towards conglomerates designed to compete more effectively when the traditional barrier between broking and market-making breaks down soon as a result of the dismantling of fixed commission scales. Mercury announced plans to take its stake in Akroyd last November. Since then, other leading jobbers have formed alliances with merchant or clearing banks and many stockbrokers have also found outside shareholders. The biggest jobber, Wedd Durlacher Mordaunt, has linked with Barclays Bank and stockbrokers de Zoete and Bevan. Mercury and Akroyd have set up a New York joint venture, to deal in fixed interest securities and Akroyd also has an international dealing alliance with stockbrokers Rowe & Pitman. The complex deal already completed between Mercury and Akroyd gave the jobbing firm an effective 8 per cent holding in Mercury through the issue of convertible loan stock. Each now has two non-executive directors on the other's board.

BSC sells offshore yard to Trafalgar

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRITISH STEEL Corporation (BSC) yesterday announced that Trafalgar House, the construction, shipping and property company was paying £15m for the RGC offshore construction yard in Fife. British Steel held 91 per cent of the construction yard, which has been highly successful in winning offshore orders. BSC had, in effect, however, promised first refusal on the eventual sale of its share both to Trafalgar House and to the minority shareholders which comprise the Scottish Development Agency (SDA) and the North Sea Assets Investment Trust in Edinburgh. The minority shareholders said they had been given first refusal on the whole yard as part of their original agreement to take an equity holding. Trafalgar House, however, said it was promised first refusal on RGC when it bought the RDL construction interest from BSC in 1982. At that time, RGC, formerly part of


RDL, had been retained by BSC. In the event, BSC agreed to buy out the 9 per cent minority interest from the Scottish holders for £1.575m before agreeing the sale to Trafalgar's Cleveland offshore subsidiary, a Teeside concern which produces North Sea rig modules. Neither Trafalgar nor the two Scottish minority holders had been prepared to give ground on the first refusal question for the past two years. Trafalgar has wanted to take over the yard to strengthen its position in offshore construction. The SDA and North Sea Assets, however, wanted the company to remain independent with BSC placing its 91 per cent holding with Scottish institutions. BSC would not comment on the payment. A joint statement with Trafalgar said that the yard had a book value of £3.5m and that BSC and the two minority shareholders had received a dividend of £6m for the past year.

N. AMERICAN QUARTERLY RESULTS

ALCOHOL STEEL		CANADA DEVELOPMENT		ENSTAR		TRANSCANADA PIPELINES	
Steelworks		Investment holding company		Oil & gas exploration		Natural gas transmission	
Second quarter	1984	1983	Second quarter	1984	1983	Second quarter	1984
	CS	CS		CS	CS		CS
Revenue	280.2m	272.4m	Revenue	1,400m	955.8m	Revenue	992.6m
Net profit	13.5m	122.50m	Net profit	28.2m	112m	Net profit	59.3m
Net per share	10.23	12.45	Net per share	0.41	10.62	Net per share	0.55
Six months	582.3m	381.2m	Revenue	2,070m	1,056m	Revenue	2,220m
Net profit	121.42m	194.92m	Net profit	27.6m	145.8m	Net profit	101.2m
Net per share	12.11	14.94	Net per share	0.13	11.81	Net per share	1.10

This announcement appears as a matter of record only.

NEW ISSUE July, 1984




TOPPAN PRINTING COMPANY, LIMITED
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U.S. Dollar Denominated 2 3/4 per cent. Yen-Linked Convertible Bonds 1994
of an aggregate principal amount equivalent to
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Hoare Govett Ltd, Heron House, 319-325 High Holborn, London WC1V 7PB. 9th August, 1984	Morgan Guaranty Ltd, 30 Throgmorton Street, London EC2N 2NT.
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BIDS AND DEALS

GKN in £25m placing to balance Beck acquisition

BY ALEXANDER NICOLL

Guest, Keen and Nettlefields, the engineering group, is backing its acquisition of Beck/Arley, a U.S. motor parts distributor, with a £25.3m share placing.

The purchase of the U.S. firm will be financed through dollar borrowings. But GKN is making the UK share placing as a "back-to-back" arrangement designed to have a compensating effect on its balance sheet.

Morgan Grenfell plans to subscribe to 15.8m new GKN shares and place them with institutional investors at 160p each. The new shares, which will not rank for this year's interim dividend, will represent 6.7 per cent of the

enlarged share capital. Rowe & Pitman are brokers to the placing.

GKN shares were unchanged yesterday at 172p, valuing the existing capital at £330.2m.

The placing is conditional on approval by GKN shareholders at an EGM.

The £24.95m acquisition of Beck/Arley will now go ahead following expiry of the waiting period prescribed by U.S. anti-trust law.

GKN offered Beck shareholders US\$15 per share in cash in an agreed bid, and received acceptances representing 74.9 per cent of Beck. It will compulsorily

acquire the remainder.

GKN, which on Monday itself reported a sharp increase in its first half profits, said Beck's pre-tax profits rose to \$3m in first-half 1984 from \$2.2m in the same period of 1983. Sales rose from \$20m to \$25m. Earnings per share rose to 71 cents from 54 cents.

Beck imports and distributes replacement parts for imported cars and light trucks, and also "refurbishes" used parts. GKN already has a U.S. subsidiary, Parts Industries Corp, in the same field, with annual sales of over \$300m.

Expansion in Australia by Thomas French

For some £1.13m, Thomas French and Sons has contracted to make an acquisition in Australia which will give it a greater market share and provide opportunities for improvement in profitability. French makes curtain styling and narrow fabric products.

Through its subsidiary Thomas French and Sons (Australia), it is to purchase the assets, other than debtors, and assume the liabilities of the Australian subsidiary of Newell Cos Inc of the U.S., which manufactures distributes household furnishings throughout Australia.

Final consideration will be fixed at completion and will be adjusted upwards in the event that the net tangible assets acquired exceed £715,000, or downwards on a shortfall.

The Newell product range is similar to that of French and will bring with it a number of additional lines. Newell sells to a wide range of customers and will add some significant major new accounts. It made profits of \$320,000 in 1983.

Wates revives two insurers

Wates, the building and construction group, has given new life to two virtually dormant insurance companies with the formation of Criterion Assurance Group.

The new insurance company will have two operations - Criterion Insurance Company, offering accident and health insurance, and Criterion Life Assurance, offering linked life and pension contracts.

Criterion Life was formerly LifeGuard Assurance - a life company previously owned mainly by Lloyd's insurance brokers groups. It was a traditional life company which ran into pro-

blems in the mid-1970s and had not traded since then.

However, under the chairmanship of Mr Victor Wood, LifeGuard had become a profitable operation as a closed company and was bought by Wates last year.

The £10m with-profit fund of Criterion Life has been separated from the rest of the business and will be run as a closed fund. The remaining £40m fund will form the base for expansion into the linked market.

Criterion Insurance has been trading within the Wates Group as Multiple Health for some

years, being bought by Wates a few years ago from the merchant banking group Charterhouse. The company, then known as Charterhouse Magna, was a small operation doing mainly guaranteed income bond business.

Criterion's operations have been completely revamped under the new chief executive Mr David Morris. He was previously with Abbey Life being responsible for both Abbey's broker and direct insurance divisions.

The head office of Criterion will be at the previous headquarters of LifeGuard in Petersfield, Hampshire.

BIDS AND DEALS IN BRIEF

GEC has sold, on August 3, 6,955 shares at 200p, on behalf of a fund under the discretionary management of Warburg Investment Management, whose parent company is financial adviser to GEC. Such funds are deemed to be associated with GEC.

ment to ordinary holders in BAL, other than Boustead Company, of 10 cents per share.

On August 3, 1983 BAL had a net asset value of A\$5.4m, having incurred a loss before tax of A\$1.4m.

are accordingly deemed, under the City Code on Take-overs and Mergers, to be associated with Grand Metropolitan.

of Castle Brand has been temporarily suspended pending clarification of its financial position. The company is an aluminium miter of chrome plate and aluminium ware.

A total of 180,809 shares in Lloyds Bank were sold on August 3 and August 6 on behalf of funds under the discretionary management of Warburg Investment Management, whose parent is financial adviser to Lloyds & Scottish. Under the City Code on Takeovers and Mergers such funds are deemed associated with Lloyds & Scottish.

Mr John Lawrence, chairman of KLP Group, giving details of the acquisition of the freehold property at 1, Craven Hill, London, W2, reported that trading is buoyant and the prospects for the group have been enhanced by the recent major account gains announced in the interim statement.

Webber Holdings, an investment and property company, is acquiring Kelsey Properties for £2.5m cash. Since May, Webber has been 65 per cent owned by Wellington Estates, a Manchester-based private property investment company.

Law Ltd, on August 8, purchased 710 of its own shares at 125p per share, making a total of 187,392 shares to date.

Following approaches from Promet Berhad, agreement has been reached whereby Southeast Company Singapore will sell half of its holding in Boustead Australia (BAL) to Promet for a total consideration of some Singapore \$4.4m (£1.5m), payable wholly in cash.

On August 7, 17,056 shares in Grand Metropolitan were sold at 206p on behalf of a fund under the discretionary management of Warburg Investment Management, whose parent company is financial adviser to Grand Metropolitan. Such funds

At its own request, the listing

Acceptances have been received in respect of 91.4 per cent of Woodward's ordinary share capital (represented by 2.2m new ordinary shares and 2.2m deferred ordinary shares). Six per cent acceptances are in respect of the Bridgend share offer, and 94 per cent in respect of the cash alternative.

Agreement has now been reached to sell 3,885,582 ordinary shares in BAL (42.2 per cent) at Australian 49 cents per share, and 10,000 12 per cent Redeemable Preference (50 per cent) at A\$100 per share. Promet will also make an ex-gratia cash pay-

ment to ordinary holders in BAL, other than Boustead Company, of 10 cents per share.

At its own request, the listing

Acceptances have been received in respect of 91.4 per cent of Woodward's ordinary share capital (represented by 2.2m new ordinary shares and 2.2m deferred ordinary shares). Six per cent acceptances are in respect of the Bridgend share offer, and 94 per cent in respect of the cash alternative.

COMPANY NEWS IN BRIEF

Mr Paul Morgan, chairman of Morgan Communications, told the AGM that both turnover and profits in the current year were appreciably higher than those for the corresponding period a year ago.

Following a first half in which the pre-tax profit of £23,213

from past activities rather than development projects at Ewart New Northern, the company has turned in a £20,263 result for the year to April 30 1984, up from £47,946.

per £1 share, holding the total for the year at 4p. The payout for the year was 1.1p (11.1p per share shown as 5.17p (4.45p)).

Espley Trust

"In 1982 we were a property and construction company. In 1984 we are an investment holding company with major interests in property, construction, housebuilding and engineering."

R. A. Stuck, Chairman

- * Pre-tax profits on ordinary and continuing activities for 15 month period were £3,018,000 (12 months 1982 - £1,813,000). After providing for losses of £1,301,000 on activities being sold, net profits before taxation were £1,712,000 (12 months 1982 - £2,765,000).
- * Fundamental change to business of company to that of an investment holding company with intentions to expand by acquiring companies whose activities will enable growth of earnings to be achieved.
- * Codic S.A. our wholly-owned Belgian property development subsidiary producing profits of almost £1,000,000 per annum.
- * American Property Group Inc. in which we own 44%, will shortly be seeking an O.T.C. quotation in New York. Independently appraised value of almost US\$70 million and substantial profit contribution anticipated.
- * Our U.K. construction, housebuilding and trading divisions show encouraging profitability.
- * Gross assets £76 million and a significant improvement in gearing achieved. The announced property disposal programme will further enhance liquidity.
- * We shall continue to seek new opportunities in other fields both here and abroad - "I regard this period of our growth and reorganisation as a challenge which we are confident of meeting successfully."

Copies of the 1983 Report and Accounts containing the Chairman's Statement and a review of the Group's activities are available from: J. M. O'Connor, Esq., Espley Trust plc, Elizabeth House, Westbourne Road, Edgbaston, Birmingham B15 3TR.



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**Commercial Union
6 MONTHS REVIEW
to 30 June 1984**

An unaudited operating loss before taxation of £14.5m was incurred for the 6 months ended 30 June 1984, reflecting adverse underwriting conditions particularly in the United States and United Kingdom.

Premium income showed an underlying growth of only 1% due to reductions in business in both the United States and Canada.

Investment income net of loan interest showed an underlying reduction of 6% mainly due to the effect of adverse trading on cash flow, particularly in the United States.

Life profits continued to grow at a satisfactory rate. In the United States the statutory operating ratio for the half year was 118.7% (1983 118.8%). The expense ratio fell to 32.2% from 33.8% despite a reduction in premium income. The experience in personal lines was again affected by heavier than usual catastrophe losses in the second quarter. In commercial lines the current year's experience has become steadily worse in spite of our increasing rates and reducing operating expenses. We have therefore decided to increase rates on a progressive basis which will almost certainly result in a loss of business; the benefits of this action will not materialise until 1985. In addition, operating costs are continuing to be cut and staff numbers have been reduced by over 20% since the beginning of 1982.

The United Kingdom underwriting result suffered a heavy toll of weather-related losses in the early part of the year, the cost of which has now risen to some £15m. There was also a marked increase in the cost of new claims, particularly in the commercial classes. Whilst non-life premium income grew by 9% in the quarter, the premium levels in both the personal and commercial classes are not sufficient to meet the higher level of claims costs and therefore further premium increases have to be obtained. Life profits continued at a satisfactory level and new business growth was maintained.

In the Netherlands steady progress was made with an underlying increase in operating profits of 16%.

In Canada the level of competition adversely affected premium income and the underwriting result.

In the Rest of the World there was a satisfactory underwriting result. Investment income continued to be affected by the transfer of funds to the United States in 1983.

Interim dividend. The Directors have decided to maintain the interim dividend of 4.85p per share. In view of the underlying financial strength of the Company it is the Board's intention to maintain the current rate of annual dividend, so long as there is evidence that a material improvement in our trading prospects is achievable following the action being taken in the United States and the United Kingdom.

	6 months 1984	6 months 1983	Year 1983
	Estimate	Estimate	Actual
Premium income			
Life	239.9	218.1	400.8
Non-life	1,660.4	980.4	1,884.2
Total	1,900.3	1,198.5	2,285.0
Investment income net of loan interest	125.0	123.7	255.4
Underwriting result	(173.1)	(124.3)	(314.2)
Life profits	28.9	26.2	55.8
Associated companies' earnings	4.7	4.8	12.3
Operating profit/(loss) before taxation	(14.5)	30.4	9.3
Taxation and minorities	(4.6)	(14.2)	(17.4)
Operating profit/(loss)	(19.1)	16.2	(8.1)
Realised investment gains	27.5	27.1	30.1
Profit attributable to shareholders	8.4	43.3	22.0
Earnings per share			
Operating profit/(loss)	(4.63)p	3.93p	(1.99)p
Realised investment gains	6.67p	6.58p	7.31p
	2.04p	10.51p	5.32p
Shareholders' funds	£933m	£1,122m	£1,048m
Operating profit/(loss) before taxation	£m	£m	£m
United States	(37.8)	(24.2)	(114.8)
United Kingdom	(7.1)	24.5	41.8
Netherlands	19.1	16.1	33.8
Canada	5.6	12.9	21.9
Rest of the World	5.7	14.1	26.6
	(14.5)	30.4	9.3
Rates of exchange			
United States	\$1.35	\$1.54	\$1.45
Netherlands	Flak.27	Flak.37	Flak.45
Canada	\$1.77	\$1.90	\$1.80



Commercial Union Assurance Company plc

**GOLD FIELDS GROUP
GOLD FIELDS PROPERTY COMPANY LIMITED**
(Incorporated in the Republic of South Africa)

PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 30 June 1984	Year ended 30 June 1983
REVENUE		
Rent	3 662	2 444
Surplus on realisation of investments	3 375	752
Profit on property and township sales	2 685	699
Income from investments	923	997
Interest	922	1 449
Gold royalties	542	290
Waste rock sales	142	188
Profit on sale of fixed assets	51	1 101
Sundry	309	135
	12 117	8 055
EXPENDITURE	1 526	1 313
Administration, property and general	1 459	1 246
Interest paid	65	67
Profit before tax	11 087	6 742
Tax	4 227	2 543
Profit after tax	6 860	4 199
Unappropriated profit, brought forward	209	236
	7 069	4 435
Less: Dividend declared	4 764	4 226
Transfer to reserves	2 352	2 045
	4 412	2 181
UNAPPROPRIATED PROFIT, carried forward	305	209
Earnings per share—cents	67.1	41.1
Dividend per share—cents	23.0	20.0
Times dividend covered	2.9	2.1
Net assets (as valued) per share—cents	395	388

Notes: The profit realised on the sale of investments will be utilised for re-investment and is thus not available for distribution to members.

**ANNUAL REPORT
DECLARATION OF DIVIDEND**

The annual report will be posted to members in September 1984.

Dividend No. 123 of 23 cents per share in respect of the year ended 30 June 1984 has been declared in South African currency, payable to members registered at the close of business on 24 August 1984.

Warrants will be posted on or about 25 September 1984.

Non-resident shareholders' tax of 15% will be deducted where applicable.

Standard conditions relating to the payment of the dividend are obtainable from the share transfer offices and the London Office of the company.

The register of members will be closed from 25 August to 31 August 1984 inclusive.

By Order of the Board
per pro CONSOLIDATED GOLD FIELDS PLC
London Secretaries
P. F. G. Roe, Secretary
United Kingdom Registered
11, Samuel Beckett Road
London EC2R 6BQ
8 August 1984

**GOLD FIELDS GROUP
VOGELSTRUISBULT METAL HOLDINGS LTD.**
(Incorporated in the Republic of South Africa)

INTERIM REPORT

	Six months ended 30 June 1984	Six months ended 30 June 1983	Year ended 31 Dec. 1983
REVENUE			
Income from investments	1 294	1 592	4 169
Sundry	408	652	1 229
	1 702	2 244	5 398
EXPENDITURE AND WRITE OFF	143	133	719
Administration	143	132	264
Exploration	—	1	2
Interest	—	—	44
Written off	—	—	19
Profit before tax	1 559	2 111	4 679
Tax	227	66	75
Profit after tax	1 332	2 045	4 604
Earnings per share—cents	7.2	13.3	28.0
Dividends per share—cents	5.0	5.0	15.0
Times dividends covered	1.4	2.7	1.7
Net assets (as valued) per share—cents	309	373	333

NOTES:
(a) Particulars of listed investments

	At 30 June 1984	1983
Stock Exchange value	41 737	52 525
Book value	14 942	21 309
Excess over book value	26 795	31 216
Book value of unlisted investments	12 234	3 277

(b) Dividend No. 74 of 11 cents per share absorbing R2 024 000 was declared and paid during the period. This dividend was declared out of profits for the year ended 31 December 1983.

DECLARATION OF INTERIM DIVIDEND

Dividend No. 75 of 5 cents per share has been declared in South African currency, payable to members registered at the close of business on 24 August 1984.

Warrants will be posted on or about 25 September 1984.

Non-resident shareholders' tax of 15% will be deducted where applicable.

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the company.

The register of members will be closed from 25 to 31 August 1984 inclusive.

On behalf of the board
B. L. van Rooyen, Chairman
A. J. Wright, Director

Registered and Head Office:
Gold Fields Building
75 Fawcett Street
Johannesburg 2001
South Africa

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unutilised vacancies (000s). All seasonally adjusted.

Table with 6 columns: Index, 1983, 1984, etc. Rows include Industrial production, Manufacturing output, Engineering orders, Retail sales volume, Retail sales value, Registered unemployment, and Unutilised vacancies.

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

Table with 5 columns: Index, 1983, 1984, etc. Rows include Consumer goods, Investment goods, Intermediate goods, Engineering output, Metal manufacture, Textiles, Leather and clothing, Housing starts.

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible trade; current balance (€m); oil balance (€m); terms of trade (1980=100); exchange reserves.

Table with 6 columns: Index, 1983, 1984, etc. Rows include Export volume, Import volume, Visible trade, Current balance, Oil balance, Terms of trade, Exchange reserves.

FINANCIAL—Money supply M1 and sterling M2, bank advances in sterling to the private sector (three months growth at annual rate); domestic credit expansion (€m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

Table with 6 columns: Index, 1983, 1984, etc. Rows include M1, M2, Bank advances, DCE, BS, HP, New credit, Base rate.

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1962=100); trade weighted value of sterling (1975=100).

Table with 6 columns: Index, 1983, 1984, etc. Rows include Earnings, Basic materials, Wholesale prices, Retail prices, Food prices, FT commodity index, Sterling value.

GOLD FIELDS GROUP NEW WITS LIMITED

(Incorporated in the Republic of South Africa) PRELIMINARY ANNOUNCEMENT OF RESULTS Year ended 30 June 1984

Financial statement table for New Wits Limited showing Revenue, Expenditure, Profit Before Tax, Profit After Tax, etc.

DECLARATION OF FINAL DIVIDEND Dividend No. 67 of 50 cents per share in respect of the year ended 30 June 1984 has been declared in South African currency, payable to members registered at the close of business on 24 August 1984.

Warrants will be posted on or about 25 September 1984. Non-resident shareholders' tax of 15% will be deducted where applicable. Standard conditions relating to the payment of dividends are obtainable from the share transfer office and the London Office of the company.

Thorn EMI chief outlines need for continued expansion

IN HIS first annual statement as chairman of Thorn EMI Mr Peter Laister reveals that profits for the quarter of the current year were lower than the unusually high level recorded last year.

He blames the decline on a less buoyant UK demand for consumer electronics and disappointing music results. However, shareholders are told that the group's other businesses continued much in line with the previous year and that the trading performance of the first quarter is of limited significance as most of the company's products, particularly consumer electronics and music, are highly seasonal with a large proportion of annual profits earned in the period from September to December.

Expanding on the emerging strategy for the future of the group Mr Laister says that restructuring moves have enabled the directors to identify substantial long-term growth opportunities within the existing spread of interests. He comments that these are being actively progressed in consumer electronics, especially in the area of hi-fi and stereo, and in the development of advanced technology television receivers, some examples of our determination to have the strongest and most broadly based interests in the international market place.

It is pointed out that, equally, both information technology and electronics offer as wide and varied a list within fields such as computers and their software, security and protection

S. C. Banks improves but warns of CAP changes

THE TAXABLE result for the year to April 30 1984 rose from £1.7m to £1.37m at Sidley & Beasts, latterly and agricultural merchant, and the indications are that this year's harvest in the company's trading area will produce high yields.

The directors are hopeful that this will lead to further improvement in the company's performance, so long as this is not affected by factors outside their control, such as radical alterations in the European common agricultural policy.

The changes to the CAP anticipated in the interim statement of Mr J. Burr, the chairman, have so far been confined to the dairy sector, but this will have an adverse effect on animal food sales.

Further changes may be announced that could affect other sectors of the agricultural industry, especially cereals, the chairman added. The final dividend is to be 1.25p to 1.25p and a dividend of 2.5p is to be paid to shareholders, raising the total from 7.5p to 10p. Earnings are shown at an unchanged 25.5p. The turnover of this Sandy, Bedfordshire-based company increased from £89.72m to £103.21m.

The tax charge was up from £32,000 to £53,000, and a provision of £54,000 has been made for deferred tax arising from the Budget changes.

The directors expect that B.F. Seed Producers GB, in which the company has a 50 per cent interest, should benefit materially in future years from their introduction of Kaskade barley and Sozer winter wheat.

Gnome Photo up to £0.27m

The year to May 31 1984 finished with pre-tax profit up at Gnome Photographic Products from £230,000 to £275,000 on turnover that rose from £1.8m to £1.67m.

The directors of this manufacturer of photographic and visual aid equipment are recommending a dividend of 5.25p, improving on last year's 4.5p. The tax charge was £121,000 (£74,000), and there was an extraordinary credit of £51,000 (£23,000), being profit on investment realisation.

Ayrshire Metal improves

A pick-up in the second quarter has enabled Ayrshire Metal Products to show a profit of £2,000 for the six months ended June 15, 1984. This compares with a loss of £38,000 for the first half of 1983.

The first three months disappointed, particularly in the car of the industrial building market, the directors report. This area has since shown an upturn, and coupled with some improvement in other markets, has brought each of the UK manufacturing units into profit for the second quarter. The first half has also borne the cost of setting up a German selling company. Over the first half, UK produced sales of £2.5m (£2.05m) rose to £3.5m (£2.7m) on turnover that rose from £1.8m to £1.67m.

MINING NEWS

Harbour Lights to boost gold production in the early years

FOLLOWING the completion of final feasibility studies the Harbour Lights partnership's Harbour Lights open-pit mine at Leonora in Western Australia is now on the road to becoming one of the country's major gold producers.

Full production is scheduled for next August. Because of the nature of the deposit the higher ore grades will be tackled first and this will boost gold output in the first and second years to a larger than expected 83,000 oz and 73,000 oz, respectively. Operating costs are expected to be about A\$140 and A\$155 per ounce of gold in these two years which suggests that the operation could recoup its total cost of A\$20.4m (£13m) in the first year of production. Harbour Lights is likely to be financed from internal resources and at the moment it thus seems unlikely that there will be any call upon shareholders for funds. Ore reserves have been put at 5.5m tonnes with an average gold grade of 4 grammes per tonne. The planned annual mining rate is 500,000 tonnes and, allowing for dilution, gold production during the life of the proposed open-pit is estimated at 824,000 oz. However, it is considered that there is an "excellent" potential for economic ore below the bottom of the pit "and to this end delineation drilling will be funded from cash flow during the life of the open-pit operations."

MINING NEWS IN BRIEF

Canada's Noranda Mines has signed a contract with the Guyanese Government for a gold mining project at Marudi in the Essequibo region, according to government officials. Noranda will finance the development of the site with Guyana Mining Enterprise and the Guyana Geological Commission and Guyana will be on a joint venture basis. The Malaysian tin-producing Suralit reports lower earnings for the year to March 31 of M\$1.58m (£319,000) compared with M\$2.98m in the previous 12 months. A final dividend of 55 cents makes a total for the past year of 75 cents less tax at 40 per cent against 140 cents less tax in 1983-83. New Wits, the South African mining investment company in the Consolidated Gold Fields group, has earned R9.86m or 88 cents per share, in the year to June 30 compared with R10.13m in 1983-83. A final dividend of 32 cents leave the total unchanged at 50 cents. Net assets equal 1,533 cents (75p) per share. The South African base metal investment company in the Consolidated Gold Fields group, Vegoltrust Metal Holdings, has earned a net profit of R1.3m (£830,000) in the first half of this year compared with R2.05m in the same period of 1983 when the year's total came out at R4.6m. The latest interim is unchanged at 5 cents. South Australia's Future Energy Action Committee is to invite Besshanna Minerals as one of four companies (the others are Western Mining, CSR and ERTSA) to submit proposals for the long term supply of coal for a new base load power station. The formal invitation is expected this month.

APPOINTMENTS

Baker Perkins Holdings posts

Mr Mike Smith has been appointed deputy managing director of BAKER PERKINS HOLDINGS. He was appointed to the board in 1978. He continues as chairman and managing director of Baker Perkins, the principal subsidiary. Mr Charles MacCackie has been appointed a director of Baker Perkins Holdings. He is technical director of Baker Perkins. Dr Graham Winsted has been appointed a non-executive director of Baker Perkins Holdings. He is chief executive, overseas division, the BOC Group.

APPOINTMENTS

MILLARD DEVELOPMENTS has appointed Mr Richard Cherry to the board. He joined the company last year as group accountant. Mr James J. Nelson has been appointed a director of JEAN SORELLE. Mr Nelson and Mr R. Quentin MacDougall have been appointed directors of Fullgrave, parent company of Jean Sorelle. Mr MacDougall is managing director of Jean Sorelle. Mr David John Sebire has been appointed to the board of M. L. HOLDINGS. The KESTREL DATA GROUP has appointed Mr Martin M. Aytem to the main board of Kestrel Data Services. He is managing director of Kestrel Data (UK). Mrs Jacquie Clemons has been appointed operations director of the subsidiary company Kestrel Data Storage and Management. THE WALTER KIDDE CO has appointed Mr John S. Hendry as chairman. In his new role he will be involved with the European activities of Kidde Inc while remaining involved with the affairs of the Walter Kidde Co. He has been managing director for the past 13 years. Mr Michael J. Holmes becomes managing director. He joined the company in 1987 and has been marketing director for 10 years.

Acquisitions are big part of activity at Rowland Gaunt

Rowland Gaunt, the loss-making ladies' clothing group, which used to be one of the smallest quoted companies until its suspension in April, is to make two acquisitions, a rights issue, and join the Unlisted Securities Market.

Gaunt is to take over Beau Brummel, the leading boyswear manufacturer, and Wiselhouse, which operates 47 boyswear and young men's casual wear concessions within Burton's Top Man and Collier's among other manufacturers. Following the paper acquisition, the enlarged group plans to raise £312,000 net of expenses via a four-for-five rights issue of 1,264,000 shares at 50p each, which compares with the suspension price of 120p. Mr Stephen Barclay, Gaunt's chairman and owner of 39 per cent of its equity, has a 97 per cent stake in Beau Brummel with his family and a 42.5 per cent holding in Wiselhouse. Following the acquisitions, Mr Barclay and Mr Leonard Kaye—who currently owns 23 per cent of Wiselhouse—will control 63 per cent of the enlarged group through their own and their supporters' holdings. Mr Barclay will remain as chairman.

Gaunt is to pay £400,000 for Beau Brummel, to be satisfied by the issue of 800,000 new Gaunt shares. It will also guarantee the repayment by Brummel of £100,000 of 8 per cent unsecured loan stock 1986. The consideration for Wiselhouse will be £240,000, to be satisfied by the issue of 480,000 ordinary shares—32 per cent of the enlarged equity—being part of the equity to be allotted to certain of the Beau Brummel vendors. These shares will be placed, excluding any entitlement to the rights issue, and a proportion will be made available through the market.

The Takeover Panel has agreed to waive the provisions of Rule 34, which would have required Mr Barclay to make an offer for all of Gaunt, provided a resolution is passed absolving him of that obligation at an extraordinary general meeting to be held on August 31. Mr Barclay and his family interests will not be allowed to vote. It is expected that dealings will open on the USM in the existing Gaunt shares, the rights issue shares, and the consideration shares, on September 3.

After the acquisitions and rights issue, its share capital will comprise 2,644,000 ordinary 25p shares. At the 50p issue price, Gaunt's market capitalisation is just over £1.4m, as against its suspension value of £384,000. Laurie, Millbank, Gaunt's brokers, have agreed to buy or sell buyers for 906,800 new

GENERALI Assicurazioni Generali 1983 Highlights From the Report of the Board of Directors. Table with 3 columns: (000 US Dollars), 1983, 1982. Rows include Premiums written, Net investment income, Profit for the year, etc.

APPLIED BOTANICS plc (Registered in England No. 113592) Issue of £1,351,612 12% Convertible Unsecured Loan Stock 1995/2000 Under the terms of the rights issue which was announced on 16th July, 1984 details of which are contained in the Circular to Shareholders of the Company dated 16th July, 1984, £1,351,612 of new 12% Convertible Unsecured Loan Stock 1995/2000 (new Convertible Stock) is proposed to be issued as part of an issue of 1,351,612 Rights Units each consisting of 6 new Ordinary Shares of 22p each and £1 nominal of new Convertible Stock. The subscription price for each Rights Unit is 130p per share.

GENERALI Assicurazioni Generali logo and company name.

BUSINESS LAW

State traders and sovereign immunity

By A. H. HERMANN, Legal Correspondent

A STATE which has chosen to enter the world's market-place must abide by its rules if it wishes to stay there; and a country which invites foreign investments will have little success if it shows an inclination to expropriate foreign assets in a discriminatory fashion and without proper compensation.

One is almost ashamed to repeat such home truths. For these two principles are embodied in numerous international treaties and accepted as uncontented rules of international law. Without them, the business of state trading countries would be limited to cash transactions and the transfer of capital and of advanced technology to less developed countries would be made impossible. These rules form the basis on which smaller states and multinational corporations can meet as business partners.

Unfortunately, many judges seem to live still in the 19th century when state trading was unknown and sovereigns by common interest and inter-marriage formed an international family, mindful of its prerogatives and scornful of business.

This concept of sovereign immunity lingers on even in the courts of republics. Thus Swiss courts abide by the two principles only if Swiss interests are involved and U.S. courts ignore them even to the detriment of their own citizens. That is bad enough because of the importance of the U.S. market place. But when English courts do the same, it is a blow to world trade because the London Commercial Court is the *de facto* international business court where many foreign parties seek a fair resolution of their disputes.

Such was the case when Settebello Ltd, a Liberian outfit of Thyssen, the West German steel-making group, sued Banco Totta and Acores, a Portuguese bank with a branch in London, over a

guarantee to pay £25m in connection with the failure of the Portuguese state shipyards to deliver a 320,000-ton oil tanker on time.

Under the terms of the contract the Thyssen-owned company was entitled to cancel the order and claim a penalty if the ship was not ready for delivery by April 30 1982. Ten days before the cancellation date, the Portuguese Government made a decree enabling Portuguese companies, earlier

concerned several acts of Gulf states, defining their territorial and offshore rights. And the judge could not be persuaded that the House of Lords expressly acknowledged the need and propriety of obtaining evidence when Lord Wilberforce said: "I am not saying that there may not be cases when it is so clear that a foreign government is taking action purely in order to extricate a state enterprise from contractual liability, that it may be

law, though wholly subject to the control of their state, are a well-known feature of the modern commercial scene. The distinction between them, and their governing state, may appear artificial; but it is an accepted distinction in the law of England and other states."

The dangerous assumption that state trading agencies have a separate existence can be maintained only as long as legislative or executive measures apply indiscriminately but it must fall when a government acts to free its agency from liability under a particular contract. Evidently the question of motive is all-important when deciding about this type of force majeure defence.

Considered from a slightly different angle, the decree of the Portuguese Government amounted to confiscation of the £25m due to the Thyssen group. It should not be recognised in international law if discriminatory—and here the question of motives reappears. But whatever the motive—whether discriminatory or not—the confiscation need not be recognised if no compensation is offered, and to offer it would frustrate the very purpose of the Portuguese decree.

The grounds on which Mr Justice Hirst refused to issue the Letters of Request seem to prejudice the whole issue in favour of the guarantor bank and the Portuguese shipyard. In the long run, however, this may prove more harmful to Portuguese foreign trade and the reputation of the Commercial Court than to Thyssen. One can only hope that the Court of Appeal will take a broader view.

Mr Justice Hirst's refusal to allow an inquiry into the motives of the Portuguese Government, which by a special decree relieved its state shipyards of liability, may make contracts with state-owned enterprises unsafe

declared to be in a "critical economic condition," to suspend unilaterally for two years any right of their customers to cancel a contract when a total payment due exceeded Escudo 1bn.

The ship was not ready and the shipyard lost no time in making the necessary declaration. The bank refused payment under its guarantee, claiming that, as a result of the new decree, no money was owed to the Thyssen group.

In vain did Mr Gordon Pollock, QC, plead that the intervention, within the meaning of the decree was discriminatory, applicable only to the one contract and made by the Government specially to extricate its own shipyard from a freely undertaken commercial liability. Mr Justice Hirst refused to issue Letters of Request to obtain evidence in Portugal that the decree was made at the initiative of the shipyard and drafted by its lawyers. He said this would be meddling in the legislative business of a friendly power.

"If this effectively deprives the plaintiffs of obtaining the evidence that they need in order to sustain their plea, this is because their interests must yield to a higher legal principle—an unfortunate predicament, but similar to that in which the defendants in the *Buites* case were placed as a result of the House of Lords' decision," he said.

Going even further, the Judge said: "I have formed the very clear, provisional view that *Buites* case, which is a unanimous decision of the House of Lords, actively rules out evidence concerning the motives of a foreign legislature as a matter of principle on grounds of comity."

This is an astonishing pronouncement, even if only "provisional." The *Buites* case

possible to deny to such action the character of government intervention, within the meaning of a particular contract, but that result cannot, in my opinion, be achieved by means of the doctrine mentioned above: it would require clear evidence and definite findings."

Mr Justice Hirst expressed the very gravest doubt as to whether the results of its enforcement or recognition in England in the present context. What was in question was "not the foreign law in abstract but the results of its enforcement or recognition in England in the concrete case."

This is very seductive, but unfortunately quite unworkable. A foreign act of state may be abhorred, but its results must be respected if it is non-discriminatory and genuinely part of governmental activities. But it is quite another matter if its only purpose is to extricate a government-owned enterprise from contractual liabilities.

To establish which of the two it is, the legislative aim must be considered. This was done in the House of Lords in the *Czarnikow* case when the Law Lords accepted the arbitrators' finding (wrong in my view) that a Polish state trader operated at arm's length from its government. They accepted again the consideration of motives in *Congreso del Partido* in June 1981, when they rejected the view that political motivation made a commercial act of the Cuban Government immune or that it justified the frustration of a contract.

Unfortunately, the House of Lords has also opted for the unrealistic distinction between state traders and the government controlling them. As Lord Wilberforce said on the same occasion: "State controlled enterprises, with legal personality, ability to trade and to enter into contracts of private

Grindlays Bank p.l.c. Interest Rates

Grindlays Bank p.l.c. announces that its base rate for lending will change from 12% to 11½% with effect from August 9th 1984. The interest rates paid on call deposits will be: call deposits of £1,000 and over 8½% (call deposits of £300-£999 7½%)

Rates of interest on fixed deposits of over £5,000 will be quoted on request. Enquiries: Please telephone 01-930 4611



Standard Chartered Bank

announces that on and after 9th August 1984 its Base Rate for lending is being decreased from 12% to 11½% p.a.

The interest rate payable on deposit accounts subject to seven days' notice of withdrawal will be decreased from 8½% to 8% p.a. The interest rate payable on High Interest deposit accounts subject to twenty-one days' notice of withdrawal will be decreased from 9½% to 9% p.a.



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Floating rate notes due 1988

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In accordance with the conditions of the Notes, notice is hereby given that for the six-month period 9th August 1984 to 11th February 1985 (186 days) the notes will carry an interest rate of 12½% p.a. Relevant interest payments will be as follows:

Notes of US\$1,000 US\$65.23 per coupon.
CREDIT LYONNAIS (London Branch)
Agent Bank

Hill Samuel Base Rate

With effect from the close of business on August 9th, 1984, Hill Samuel's Base Rate for lending will be decreased from 12 per cent to 11½ per cent per annum.

Interest payable on the Bank's Demand Deposit Account will be at the rate of 8½ per cent per annum.

Hill Samuel & Co. Limited
100 Wood Street, London EC2P 2AJ
Telephone: 01-628 8011



Williams & Glyn's

Interest Rate Changes

Williams & Glyn's Bank announces that with effect from 9th August 1984 its Base Rate for advances is reduced from 12% to 11½% per annum.

Interest on deposits at 7 days' notice is reduced from 8¾% to 8½% per annum.



Williams & Glyn's Bank plc

Yorkshire Bank Base Rate

With effect from 9th August 1984 Base Rate will be changed from 12% to 11½% p.a.



Yorkshire Bank

Yorkshire Bank PLC Registered No. 117413 England
Registered Office: 20 Merrion Way Leeds LS2 8NZ



Courts & Co

Courts & Co. announce that their Base Rate is decreased from 12% to 11½% per annum with effect from the 9th August 1984 until further notice.

The Deposit Rate on monies subject to seven days notice of withdrawal is decreased from 8¾% to 8½% per annum.



NatWest announces that with effect from Thursday, 9th August, 1984, its Base Rate is decreased from 12% to 11½% per annum.

The basic Deposit and Savings Account rates are decreased from 8¾% to 8½% per annum.

41 Lothbury, London EC2P 2BP



Lloyds Bank

Interest Rates

Lloyds Bank Plc has reduced its Base Rate from 12% to 11.5% p.a. with effect from Thursday, 9th August 1984.

Other rates of interest are reduced as follows: 7-day-notice Deposit Accounts and Savings Bank Accounts—from 8.75% to 8.5% p.a.

The change in Base Rate and Deposit Account interest will also be applied from the same date by the United Kingdom branches of Lloyds Bank International Limited The National Bank of New Zealand Limited

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

Bank of Scotland BASE RATE

The Bank of Scotland announces that, with effect from Thursday 9th August, 1984, its Base Rate will be decreased from 12% per annum to 11½% per annum

LONDON, BIRMINGHAM BRISTOL, MANCHESTER, NEWCASTLE & SOUTHAMPTON OFFICES—DEPOSITS
The rate of interest on sums lodged for a minimum period of 7 days or subject to 7 days' notice on withdrawal will be 8½% per annum, also with effect from 9th August, 1984



BANK OF SCOTLAND

Hongkong Bank

announces that on and after 9th August, 1984 the following annual rates will apply

Base Rate . . . 11½% Deposit Rate (basic) 8½%
(Previously 12%) (Previously 8½%)

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The British Bank of the Middle East
Wardley London Limited

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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of American stock exchange closing prices, organized by sector (A-Z) and including columns for stock name, price, and volume.

Continued on Page 26

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table of New York stock exchange closing prices, organized by sector (A-Z) and including columns for stock name, price, and volume.

Continued from Page 24

Notes on dividend data and stock exchange information, including details on dividend dates and stock exchange procedures.

ENERGY REVIEW every Wednesday in the Financial Times.

WORLD STOCK MARKETS

AUSTRIA

Table of Austrian stock prices including Creditanstalt, Giesecke, and others.

GERMANY

Table of German stock prices including AEG, Allianz, and others.

NORWAY

Table of Norwegian stock prices including Bergen Bank, Christiania, and others.

AUSTRALIA (continued)

Table of Australian stock prices including Gen Prop Trust, Hardie, and others.

JAPAN (continued)

Table of Japanese stock prices including MHI, Nippon, and others.

OVER-THE-COUNTER Nasdaq national market closing prices

Large table of over-the-counter stock prices with columns for stock name, price, and change.

LONDON

Table of London stock prices including chief price changes and rises/falls.

BELGIUM/LUXEMBOURG

Table of Belgian/Luxembourg stock prices including ARBED, Belginstaat, and others.

SPAIN

Table of Spanish stock prices including D'acsa, Banco, and others.

SWEDEN

Table of Swedish stock prices including AGA, Astra, and others.

HONG KONG

Table of Hong Kong stock prices including Bank East Asia, China Light, and others.

SINGAPORE

Table of Singapore stock prices including Rouseff, DDB, and others.

SOUTH AFRICA

Table of South African stock prices including ABC, BCP, and others.

NETHERLANDS

Table of Dutch stock prices including AEGON, Alkerm, and others.

FRANCE

Table of French stock prices including Emprunt, Renault, and others.

ITALY

Table of Italian stock prices including Banca, Credito, and others.

SWITZERLAND

Table of Swiss stock prices including Alusuisse, Bank, and others.

DENMARK

Table of Danish stock prices including Aarhus, Bors, and others.

NETHERLANDS (continued)

Table of Dutch stock prices including AEGON, Alkerm, and others.

FRANCE (continued)

Table of French stock prices including Emprunt, Renault, and others.

ITALY (continued)

Table of Italian stock prices including Banca, Credito, and others.

SWITZERLAND (continued)

Table of Swiss stock prices including Alusuisse, Bank, and others.

CANADA

Table of Canadian stock prices including Toronto market.

TORONTO

Table of Toronto stock prices including various local companies.

MONTREAL

Table of Montreal stock prices including various local companies.

AMERICAN STOCK EXCHANGE

Table of American stock exchange closing prices.

AMERICAN STOCK EXCHANGE

Table of American stock exchange closing prices.

AMERICAN STOCK EXCHANGE CLOSING PRICES

Large table of American stock exchange closing prices with columns for stock name, price, and change.

WORLD VALUE OF THE POUND every Tuesday in the Financial Times

MARKET REPORT

Base rate cuts unleash fresh demand for Gilts

Equity leaders rise late

Account Dealing Dates

*First Declared Last Account Dealings Dates... Aug 13 Aug 20 Aug 27 Aug 31 Aug 13 Aug 20 Aug 27 Aug 31

Lower interest rates coming hard on the heels of unexpectedly good UK money statistics ensured Government stocks of another strong following in London yesterday.

Expectations that clearing bank base lending rates would fall next week have fallen back to within the target range were soon fulfilled.

The £1bn issue of new Government stock was a near sell-out... applications for Eschequer 11 per cent 1989 being allotted in full at 99.4.

Equities were reluctant for much of the day to follow the lead set by gilts... Early proceedings tended to be dominated by speculative or secondary stocks.

Interest spilled over into a wide range of top-quality industrial shares... highest level for over two months.

Comm. Union react... Commercial Union got the Composite Insurance Index dividend raised by 100 pence.

loss of £14.3m; estimates had ranged to profits of possibly £10m. CU were particularly unsettled by fears that final dividend may not be maintained.

The major clearing banks took the base rate cuts in their stride, barely stirring from slightly lower opening levels.

Distillers advanced 6 to 300p and thus recovered the previous day's fall reflecting the proposed reorganisation of its whisky blending and bottling operations.

Blue Circle drew steady support ahead of the interim results, due later in the month, and rose 12 to 402p.

Gilt trading quietened after hours but prices held near to the day's best and the Government Securities index closed 1.57 up at 79.05.

Woolworth feature... Confirmation of a downturn in credit rates prompted another generally firm session among leading stores.

Comm. Union react... Commercial Union got the Composite Insurance Index dividend raised by 100 pence.

FINANCIAL TIMES STOCK INDICES

Table with columns: Index Name, Aug 8, Aug 7, Aug 6, Aug 5, Aug 4, Aug 3, Aug 2, Aug 1, Year Ago. Includes Government Secs, Fixed Interest, Industrial Ord., Gold Mines, etc.

10 am 831.8, 11 am 831.0, Noon 830.2, 1 pm 832.0. Basis 100 Govt. Secs. 3pm 833.9. Spd 834.7. Gold Mines 12/9.5. SE Activity 1974.

HIGHS AND LOWS S.E. ACTIVITY. Table with columns: Index Name, High, Low, Since Completed, Daily Change, % Change. Includes Govt. Secs, Fixed Int., Ind. Ord., Gold Mines.

talks aimed at possible property deals stimulated fresh demand for Woolworth which spurred 28 more to 525p, after 540p—a three-day advance of 68.

Interest in Overseas Traders, focused on late on Lounrou, shifted to company traders GHI and Duffin which spurred 11 to 174p on steady support.

Johnannesburg kept prices moving ahead to close at their best levels. The Gold Mines index rose 6.6 to 527.6.

Platinum provided a firm feature in Impala Platinum which rose 17 to 855p following sizeable London support ahead of the preliminary results expected next Tuesday.

Australians improved in line with overnight domestic markets but closed below the day's best levels. Western Mining rose 7 to 220p and CRA touched 348p prior to closing a net 4 rarer at 342p.

Apart from Courtaulds, 3 dearer at 121p, after 122p, leading textiles failed to impress. Casual and sports wear manufacturers Robert H. Lewis settled 3 off at 22p in reaction to the continuing first-half deficit.

Stockjobbers Akroyd and Smithers remained volatile and moved between 480p and 465p before settling 20 up on balance at 476p following the latest report on the negotiations with Mercury Securities.

The oil majors staged a broad late afternoon recovery following a fresh rise in crude oil prices and further heavy American support for Royal Dutch. Reporting second-quarter results, the latter counteracted persistent buying, which gathered pace in the afternoon trade.

Secondary issues provided firm features in Berkeley Exploration and Petrolex which added 5 pence at 139p and 74p respectively. Charterhouse jumped 10 to 150p.

Gold improve... A farmer trend in the Rand rate and a steady showing by the bullion price encouraged widespread, although generally minor, gains throughout the South African sectors of mining markets.

Rises in the miscellaneous industrial leaders were usually limited to a few pence or so. Reprinted fresh produce prices were good at 70p. Westland, a dull market since news of the proposed job cuts owing to falling orders, rallied 9 to 189p.

Leading Hotels and Caterers attracted further demand. Trusthouse Forte rose 2 to 124p, as did Grand Metropolitan, to 312p.

RECENT ISSUES

EQUITIES

Table of recent equity issues with columns: Issue Name, Amount, Date, Price Range, etc.

FIXED INTEREST STOCKS

Table of fixed interest stocks with columns: Issue Name, Amount, Date, Price Range, etc.

"RIGHTS" OFFERS

Table of rights offers with columns: Issue Name, Amount, Date, Price Range, etc.

ACTIVE STOCKS

Table of active stocks with columns: Issue Name, Amount, Date, Price Range, etc.

TUESDAY'S ACTIVE STOCKS

Table of Tuesday's active stocks with columns: Issue Name, Amount, Date, Price Range, etc.

LONDON TRADED OPTIONS

Table of London traded options with columns: Option Name, Calls, Puts, etc.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns: Equity Groups & Sub-sections, Week Aug 8 1984, etc.

FIXED INTEREST

Table of fixed interest rates with columns: Index Name, Week Aug 8 1984, etc.

BRITISH GOVERNMENT INDEX-LINKED STOCKS

Table of British Government index-linked stocks with columns: Index Name, Week Aug 8 1984, etc.

*Yield, High and low record, base dates, values and conversion changes are published in Saturday Edition. A list of constituents is available from the Publishers, the Financial Times, Brockton House, Cannon Street, London, EC4A 3DF, price 15p, per post 20p.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns: Series, Vol., Last, etc.

EUROPEAN OPTIONS EXCHANGE

Table of European Options Exchange with columns: Series, Vol., Last, etc.

FT LONDON SHARE INFORMATION SERVICE

John Foord logo and contact information.

BRITISH FUNDS

Table of British Funds with columns for Name, Stock, Price, and % Change.

Five to Fifteen Years

Table of funds categorized by 5 to 15 year maturity.

Over Fifteen Years

Table of funds categorized by over 15 year maturity.

Undated

Table of undated funds.

Index-Linked

Table of index-linked funds.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

LOANS

Table of general loans.

Public Board and Ind.

Table of public board and industrial shares.

Financial

Table of financial instruments.

AMERICANS

Table of American stocks.

BEERS, WINES—Cont.

Table of beer and wine stocks.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building, timber, and road stocks.

DRAPERY & STORES—Cont.

Table of drapery and store stocks.

ELECTRICALS

Table of electrical stocks.

ENGINEERING—Continued

Table of engineering stocks.

INDUSTRIALS (Miscel.)

Table of miscellaneous industrial stocks.

CANADIANS

Table of Canadian stocks.

BANKS, HP & LEASING

Table of bank, HP, and leasing stocks.

CHEMICALS, PLASTICS

Table of chemical and plastic stocks.

DRAPERY AND STORES

Table of drapery and store stocks.

FOOD, GROCERIES, ETC

Table of food, grocery, and other stocks.

HOTELS AND CATERERS

Table of hotel and caterer stocks.

BEERS, WINES & SPIRITS

Table of beer, wine, and spirit stocks.

ENGINEERING

Table of engineering stocks.

ENGINEERING

Table of engineering stocks.

HOTELS AND CATERERS

Table of hotel and caterer stocks.

HOTELS AND CATERERS

Table of hotel and caterer stocks.

هكذا تصنع النصل

Financial Times Thursday August 9 1984

INDUSTRIALS—Continued

Table of Industrial stocks including companies like British Airways, British Petroleum, and various manufacturing firms.

LEISURE—Continued

Table of Leisure stocks including hotels, travel agencies, and entertainment companies.

PROPERTY—Continued

Table of Property stocks including real estate investment trusts and property development firms.

INVESTMENT TRUSTS—Cont.

Table of Investment Trusts including various asset management and investment funds.

OIL AND GAS—Continued

Table of Oil and Gas stocks including energy companies and oilfield services.

MOTORS, AIRCRAFT TRADES

Table of Motors and Aircraft Trades stocks including automotive and aviation companies.

SHIPPING

Table of Shipping stocks including shipping lines and maritime services.

SHOES AND LEATHER

Table of Shoes and Leather stocks including footwear and leather goods companies.

SOUTH AFRICANS

Table of South African stocks including companies from the African continent.

NEWSPAPERS, PUBLISHERS

Table of Newspapers and Publishers stocks including media and publishing companies.

TEXTILES

Table of Textiles stocks including textile manufacturing companies.

TOBACCO

Table of Tobacco stocks including tobacco companies.

OVERSEAS TRADERS

Table of Overseas Traders stocks including international trading companies.

PAPER, PRINTING ADVERTISING

Table of Paper, Printing, and Advertising stocks including media and publishing companies.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, and Land stocks including financial and real estate companies.

PROPERTY

Table of Property stocks including real estate investment trusts and property development firms.

INSURANCES

Table of Insurance stocks including insurance companies.

LEISURE

Table of Leisure stocks including hotels, travel agencies, and entertainment companies.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, and Land stocks including financial and real estate companies.

PROPERTY

Table of Property stocks including real estate investment trusts and property development firms.

INSURANCES

Table of Insurance stocks including insurance companies.

SANYO INTERNATIONAL LTD. logo and contact information for London and Tokyo offices.

MINES—Continued

Table of Mines stocks including various mining companies.

PLANTATIONS

Table of Plantations stocks including rubber and palm oil companies.

TEAS

Table of Teas stocks including tea companies.

NOTES

Notes section containing financial news, market commentary, and company announcements.

MINES

Table of Mines stocks including various mining companies.

REGIONAL & IRISH STOCKS

Table of Regional and Irish Stocks including companies from the UK and Ireland.

OPTIONS—3-month call rates

Table of Options and 3-month call rates including interest rate derivatives.

Recent Issues and Rights page 27. Service available to every company for a fee of £200 per annum for each security.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trst. Mgrs., Abbey Unit Trst. Mgrs., Abbey Unit Trst. Mgrs., etc., with columns for name, manager, and performance metrics.

FT UNIT TRUST INFORMATION SERVICE

Main table of FT Unit Trust Information Service, listing numerous unit trusts like Abbot Fund Managers Ltd, Abbot Unit Trust Mgrs., Abbot Unit Trust Mgrs., etc., with columns for name, manager, and performance metrics.

INSURANCES

Table listing various insurance companies and their products, including Abbot Insurance, Abbot Insurance, Abbot Insurance, etc., with columns for name, address, and contact information.

F.T. CROSSWORD PUZZLE No. 5487

- ACROSS
1 Thirty-second note to a player (14)
10 Poem to include a sub-compound (5)
11 Deep-hemmed treatment of the mutated uses (9)
12 Swimmer cured of being left in Panama (7)
13 The last train? (7)
14 Group of three in Chinese society (5)
15 Army wash-house built on, as ordered (9)
16 Holed vessel of seal-conservationist? (9)
17 It is much in evidence in the Ravel howing-method (5)
18 As rich as pop-star after rocking (7)
19 Computers, for example, show Bennett's card gaining point (7)
20 Hold fast—it is a waste! (5)
21 Losing cohesion—or rioting instead, perhaps (14)
DOWN
1 Daily voice of the leader (9)
2 At home, pet misbehaves—how silly? (5)
3 Senior worker, leader at bridge? (5,4)
4 In tenses is one account of him (8)
5 Leading lady of the cinema (9)
6 Five Irish characters in Limerick, say (5)
7 Fairly mutiny on vessel that has no beams? (7)
8 Fighting doctor in a jacket (6)
15 He advises on correct fare (9)
17 In unhappy mood, Larry is chained in the office (4, 5)
18 Essential part of score improved Gobbi a lot (9)
19 Bore transported (7)
20 Wound leaves when the war is over (6)
21 Position in meditation means much to America (5)
22 Short prayer, even shorter than 1 across? (5)
23 ea. Space Shuttle occupation (5)

Grid for crossword puzzle No. 5487, with numbers indicating starting positions for across and down words.

Solution to Puzzle No. 5486
DOWN
1 DAILY VOICE OF THE LEADER (9)
2 AT HOME, PET MISBEHAVES—HOW SILLY? (5)
3 SENIOR WORKER, LEADER AT BRIDGE? (5,4)
4 IN TENSES IS ONE ACCOUNT OF HIM (8)
5 LEADING LADY OF THE CINEMA (9)
6 FIVE IRISH CHARACTERS IN LIMERICK, SAY (5)
7 FAIRLY MUTINY ON VESSEL THAT HAS NO BEAMS? (7)
8 FIGHTING DOCTOR IN A JACKET (6)
15 HE ADVISES ON CORRECT FARE (9)
17 IN UNHAPPY MOOD, LARRY IS CHAINED IN THE OFFICE (4, 5)
18 ESSENTIAL PART OF SCORE IMPROVED GOBBI A LOT (9)
19 BORE TRANSPORTED (7)
20 WOUND LEAVES WHEN THE WAR IS OVER (6)
21 POSITION IN MEDITATION MEANS MUCH TO AMERICA (5)
22 SHORT PRAYER, EVEN SHORTER THAN 1 ACROSS? (5)
23 ea. SPACE SHUTTLE OCCUPATION (5)

Grid for crossword puzzle No. 5486, with numbers indicating starting positions for across and down words.

Solution to Puzzle No. 5486
ACROSS
1 THIRTY-SECOND NOTE TO A PLAYER (14)
10 POEM TO INCLUDE A SUB-COMPOUND (5)
11 DEEP-HEMMED TREATMENT OF THE MUTATED USES (9)
12 SWIMMER CURED OF BEING LEFT IN PANAMA (7)
13 THE LAST TRAIN? (7)
14 GROUP OF THREE IN CHINESE SOCIETY (5)
15 ARMY WASH-HOUSE BUILT ON, AS ORDERED (9)
16 HOLED VESSEL OF SEAL-CONSERVATIONIST? (9)
17 IT IS MUCH IN EVIDENCE IN THE RAVEL HOWING-METHOD (5)
18 AS RICH AS POP-STAR AFTER ROCKING (7)
19 COMPUTERS, FOR EXAMPLE, SHOW BENNETT'S CARD GAINING POINT (7)
20 HOLD FAST—IT IS A WASTE! (5)
21 LOSING COHESION—OR RIOTING INSTEAD, PERHAPS (14)
DOWN
1 DAILY VOICE OF THE LEADER (9)
2 AT HOME, PET MISBEHAVES—HOW SILLY? (5)
3 SENIOR WORKER, LEADER AT BRIDGE? (5,4)
4 IN TENSES IS ONE ACCOUNT OF HIM (8)
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6 FIVE IRISH CHARACTERS IN LIMERICK, SAY (5)
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23 ea. SPACE SHUTTLE OCCUPATION (5)

Handwritten signature or mark at the bottom of the crossword puzzle section.

Financial Times Thursday August 9 1984

INSURANCE, OVERSEAS & MONEY FUNDS

Table of insurance and overseas funds including Liberty Life Assurance Co Ltd, National Provident Institution, and various international investment funds.

Table of insurance and overseas funds including Sare & Propper Group, Target Life Assurance Co Ltd, and various international investment funds.

Table of insurance and overseas funds including CAL Investments (UK) Ltd, Capital International Fund S.A., and various international investment funds.

Table of insurance and overseas funds including Sun Life of Canada, Sun Life of Japan, and various international investment funds.

Table of insurance and overseas funds including Sun Life of Canada, Sun Life of Japan, and various international investment funds.

OFFSHORE AND OVERSEAS

Table of offshore and overseas funds including Sun Alliance Insurance Group, Sun Life of Canada, and various international investment funds.

Money Market

Trust Funds

Money Market

Bank Accounts

Table of money market, trust funds, bank accounts, and other financial services including Sun Life of Canada, Sun Life of Japan, and various international investment funds.

NOTES: Interest rates vary between 2% and 10% nominal rate and an annual percentage rate adjusted for frequency of interest.

COMMODITIES AND AGRICULTURE

Sheepmeat regime 'has failed to iron out lamb price variations'

BY RICHARD MOONEY

A NEW attack on the EEC sheepmeat regime, which is highly remunerative to Britain, was made in Brussels yesterday by the Community's Court of Auditors.

Sugar export rebates higher than expected

By Our Commodities Staff

THE GRANTING of export rebates at a higher rate than expected at yesterday's Brussels sugar tender was seen as evidence of competitive bidding for licences as the supplementary tender series reached its end, London traders said.

Brazil puffs toward tobacco supremacy

BY OUR OWN CORRESPONDENT

THE TIME could be approaching when Brazil becomes the Western world's leading tobacco producer, displacing the U.S. In the past decade Brazil has come from exporting tobacco at all, to earning almost \$0.5bn last year from exports of 187,000 tonnes—almost half production.

important in Brazil, is that the internal market for cigarettes—the Western world's third largest—after the U.S. and Japan—has been declining for the past four years.

Gas oil outlook bearish

BY NANCY DUNNE IN WASHINGTON

U.S. STOCK figures released late on Tuesday by the American Petroleum Institute were expected to have little influence on the choppy, sea-sawing market.

London coffee prices rise

By Our Commodities Staff

LONDON coffee futures prices, for delivery in September and October, rose yesterday on forecasts of a cut in output and a rise in demand.

Adjustment assistance recommended for copper industry

BY NANCY DUNNE IN WASHINGTON

THE FEDERAL Trade Commission (FTC) has recommended that any relief granted by President Reagan to the U.S. copper industry be in the form of adjustment assistance for both consumers and producers.

to agree on an appropriate remedy for the injury. Two commissioners recommended a supplemental tariff on imports of both blister copper and unwrought copper of 5 cents per pound for a five-year period.

PRICE CHANGES

Table with columns for commodity name, unit, and price change. Includes items like Metals, Copper, Cash Oil, and Wheat.

BRITISH COMMODITY PRICES

Table with columns for commodity name, unit, and price change. Includes items like Tin, Copper, Zinc, and Lead.

AMERICAN MARKETS

Table with columns for commodity name, unit, and price change. Includes items like New York, Chicago, and Soybean Meal.

NEW YORK

Table with columns for commodity name, unit, and price change. Includes items like Coffee, Cocoa, and Rubber.

LONDON OIL

An easing of the physical market brought gas oil prices in about a dollar lower and they fell a little further during the morning as buyers retreated to the pace of the strong dollar.

BASE METALS

BASE-METAL PRICES were quietly mixed on Monday. The London market for copper edged higher following a firm opening on Comex and closed around £1.025.

SILVER

Silver was fixed 14p an ounce higher at 576.50p, U.S. cent equivalents of the fixing levels were spot 18.8c; six-month 78c; up 18.8c; and 12-month 84.5c, up 18.5c.

POTATOES

The market against fell on the opening and dropped £3 during the morning. A weaker domestic physical market and a lack of interest in the export market were partly the cause.

INDICES

Table with columns for index name and value. Includes Financial Times, DOW JONES, and MOODY'S.

SPOT PRICES

Table with columns for commodity name, unit, and price change. Includes items like CRUDE OIL, RUBBER, and SOYBEAN MEAL.

TIN

Table with columns for tin grades and prices. Includes High Grade, Standard, and Low Grade.

COFFEE

In quiet conditions values traded slightly higher as light commission traders were using increased steady opening, reports Dresel Bernham Lambert.

SOYBEAN MEAL

The market opened unchanged to 20p down, reports T. G. Roddick, Sailing Institute, London, under a further slide in prices.

COFFEE

Table with columns for coffee grades and prices. Includes Arabica and Robusta.

GOLD MARKETS

Gold rose \$11 an ounce from Tuesday's close in the London bullion market yesterday to finish at \$345-346. It opened at \$341-342, traded between a high of \$345-346 and a low of \$342-343.

LEAD

Table with columns for lead grades and prices. Includes High Grade, Standard, and Low Grade.

COFFEE

Sales: 2,928 (2,513) lots of 50 tonnes. 1200 tonnes. 1000 tonnes. 1000 tonnes.

SUGAR

INTERNATIONAL SUGAR Agreement—(U.S. cents per pound for soft and stored Caribbean prices): Prices to August 7: Daily: 17.17; 15-day average: 13.28.

CRUDE OIL (LIGHT)

Table with columns for crude oil grades and prices. Includes Brent, WTI, and others.

LONDON FUTURES

Table with columns for commodity name, unit, and price change. Includes items like Gold, Silver, and Copper.

ZINC

Table with columns for zinc grades and prices. Includes High Grade, Standard, and Low Grade.

GRAINS

Wheat and barley closed off the higher after registering initial gains but were pulled back by a quiet market.

WHEAT

HOGCA: Feed national spot prices. Feed national: Eastern 101.50, Mide 101.20, West 100.00.

SOYBEAN MEAL

Table with columns for soybean meal grades and prices. Includes 48% and 50% protein.

ALUMINIUM

Table with columns for aluminium grades and prices. Includes High Grade, Standard, and Low Grade.

WHEAT

Wheat and barley closed off the higher after registering initial gains but were pulled back by a quiet market.

WHEAT

HOGCA: Feed national spot prices. Feed national: Eastern 101.50, Mide 101.20, West 100.00.

COTTON

LIVERPOOL—No spot or shipment sales were recorded. Business was sluggish to arrange due to currency and price considerations.

WHEAT

HOGCA: Feed national spot prices. Feed national: Eastern 101.50, Mide 101.20, West 100.00.

EUROPEAN MARKETS

Table with columns for commodity name, unit, and price change. Includes items like Rotterdam, Paris, and London.

NICKEL

Table with columns for nickel grades and prices. Includes High Grade, Standard, and Low Grade.

PIGMEAT

Prices drifted slightly lower in very heavy demand and low volume. Heavy AAPF had little effect on dull trading conditions.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business)—Close (in order: buyer, seller, business).

SPOT PRICES

Table with columns for commodity name, unit, and price change. Includes items like Wheat, Soybean, and Corn.

• UPDATED legislation on the use of poisonous substances in agriculture include certain new substances, improved items of protective clothing, and a reduction in the permitted hours of work allowed with specified substances.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar volatile at close

Countering influences from remarks made by U.S. officials left the dollar trading in rather a confused manner on the foreign exchanges yesterday. It weakened in late European trading to finish around the lowest levels of the day, but then recovered to close in New York. The dollar had been quite firm earlier in the day and there was talk of the currency possibly testing the DM 2.55 level again, but this was not to be the case. It closed weaker on the day against all major currencies as traders were tempted to take profits after Mr Secretary's forecast of lower interest rates, but also said there would be no increase in taxation.

Y243 from Y244.45 against the Japanese yen. On Bank of England figures the dollar's trade-weighted index fell to 137.5 from 137.8. STERLING - Trading range against the dollar in 1984 is 1.4905 to 1.3020. July average 1.5210. Trade-weighted index 78.7 at the previous close, and 81.5 six months ago. Sterling was very firm despite the cut in London clearing bank base rates. It gained 95 points against the dollar to close at the day's high of \$1.3150-\$1.3160. The pound also improved against other major currencies, rising to DM 2.9250 from DM 2.9100; FF 117.75 from FF 116.90; Sfr 5.22 from Sfr 5.21; and Y320 from Y319.35.

against the dollar in 1984 is 2.9145 to 2.5335. July average 2.6473. Trade-weighted index 122.1 against 124.9 six months ago. The D-mark lost ground to the strong dollar at the Frankfurt fixing, but improved from its opening level. The Bundesbank sold \$5.5m at the fixing as the dollar touched its highest level since February 22, 1973. It was fixed at DM 2.9175 yesterday compared with DM 2.9157 on Tuesday, but was lower than the opening level of DM 2.9245 amid suggestions that the dollar may be heading down towards a level nearer DM 2.90. Sterling fell to DM 3.0000 from DM 3.0120 at the fixing. Within the EMS the French franc fell to DM 32.58 per 100 francs from DM 32.595.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Currency, Unit, % change, % change adjusted for divergence, Divergence limit. Rows include Belgium, Denmark, Germany, France, Italy, Luxembourg, Netherlands, Portugal, Spain, Greece, Ireland, UK, Switzerland, Austria, Sweden, Norway, Finland, Denmark, Netherlands, France, Italy, Luxembourg, Netherlands, Portugal, Spain, Greece, Ireland, UK, Switzerland, Austria, Sweden, Norway, Finland.

OTHER CURRENCIES

Table with columns: Aug. 8, £, \$, Note Rates. Rows include Argentina, Australia, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, U.K., U.S., West Germany, Yugoslavia.

CURRENCY MOVEMENTS

Table with columns: Aug. 8, Bank of England, Morgan Guaranty. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Japanese yen, Swiss franc, West German mark, French franc, Italian lira, Dutch guilder, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt, Hong Kong dollar, Singapore dollar, South African rand, Sri Lankan rupee, Thai baht, Taiwan dollar, Indonesian rupiah, Australian dollar, Japanese yen, Swiss franc, West German mark, French franc, Italian lira, Dutch guilder, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt, Hong Kong dollar, Singapore dollar, South African rand, Sri Lankan rupee, Thai baht, Taiwan dollar, Indonesian rupiah.

CURRENCY RATES

Table with columns: Aug. 8, Bank of England, Morgan Guaranty. Rows include Sterling, U.S. dollar, Canadian dollar, Australian dollar, New Zealand dollar, Japanese yen, Swiss franc, West German mark, French franc, Italian lira, Dutch guilder, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt, Hong Kong dollar, Singapore dollar, South African rand, Sri Lankan rupee, Thai baht, Taiwan dollar, Indonesian rupiah.

THE POUND SPOT AND FORWARD

Table with columns: Aug. 8, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, France, Germany, Greece, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, U.K., U.S., West Germany, Yugoslavia.

THE DOLLAR SPOT AND FORWARD

Table with columns: Aug. 8, Day's spread, Close, One month, % Three months, % Six months. Rows include U.S., Canada, Belgium, Denmark, France, Germany, Greece, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, U.K., U.S., West Germany, Yugoslavia.

EXCHANGE CROSS RATES

Table with columns: Aug. 8, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc. Rows include U.S., Canada, Belgium, Denmark, France, Germany, Greece, Hong Kong, India, Indonesia, Japan, Korea, Kuwait, Luxembourg, Malaysia, New Zealand, Norway, Saudi Arabia, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, U.K., U.S., West Germany, Yugoslavia.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Table with columns: Aug. 8, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, D-mark, French Franc, Italian Lira, Belgian Franc, Yen, Danish Kroner. Rows include Short term, 3 months, 6 months, 9 months, 12 months, One year.

MONEY MARKETS

Cut in bank base rates

Clearing bank base rates were cut by 1 1/2 per cent to 11 1/2 per cent yesterday following better than expected UK money supply figures published Tuesday. Base rates were increased by 2 per cent to 12 per cent about a month ago following disappointment at the previous set of money supply figures and the weaker sterling. The move appeared to have no detrimental impact on the pound, which improved against the dollar and continued to rise. The move appeared to have no detrimental impact on the pound, which improved against the dollar and continued to rise.

MONEY RATES

Table with columns: Aug. 7, Frankfurt, Paris, Zurich, Amsterdam, Tokyo, Milan, Brussels, Dublin. Rows include Overnight, 3 months, 6 months, 9 months, 12 months, One year.

LONDON MONEY RATES

Table with columns: Aug. 8, Sterling, Local Authority Deposits, Company Deposits, Market Deposits, Treasury (Buy), Treasury (Sell), Eligible Bank (Buy), Eligible Bank (Sell), Fine Trade (Buy). Rows include Overnight, 3 months, 6 months, 9 months, 12 months, One year.

FT LONDON

INTERBANK FIXING

Table with columns: LONDON INTERBANK FIXING (11.00 a.m. August 8), 3 months U.S. dollars, bid 11 1/8, offer 11 1/4, 6 months U.S. dollars, bid 12 1/8, offer 12 1/4.

MONEY RATES

Table with columns: Local Auth., Local Deposits, Finance & Co. Deposits, SOR, EDU, EDU. Rows include One month, Three months, Six months, Nine months, One year.

MONEY RATES

Table with columns: NEW YORK (Lunchtime), Prime rate, Broker loan rate, Fed funds, Fed funds at intervention, Treasury Bills, One month, Two month, Three month, Six month, One year.

DISCOUNT HOUSES DEPOSIT AND BILL RATES

Table with columns: Aug. 8, Sterling, Local Authority Deposits, Company Deposits, Market Deposits, Treasury (Buy), Treasury (Sell), Eligible Bank (Buy), Eligible Bank (Sell), Fine Trade (Buy). Rows include Overnight, 3 months, 6 months, 9 months, 12 months, One year.

MONEY RATES

Table with columns: Local Auth., Local Deposits, Finance & Co. Deposits, SOR, EDU, EDU. Rows include One month, Three months, Six months, Nine months, One year.

MONEY RATES

Table with columns: NEW YORK (Lunchtime), Prime rate, Broker loan rate, Fed funds, Fed funds at intervention, Treasury Bills, One month, Two month, Three month, Six month, One year.

Gilts weak

Gilts for future delivery finished weak on the London International Financial Futures Exchange yesterday. The September contract opened firm at 105.07 followed overnight gains in U.S. Treasury bonds, but then declined on fears that Tuesday's sharp rise of over 22 had been overdone. Early gains in U.S. bonds failed to revive interest, and the market was also unimpressed by news that the tap stock offered by the Government broker was oversubscribed. Traders suggested the reduction in Bank of England money market dealing rates, followed by the cut in clearing bank base rates, had been largely discounted in Tuesday's rise and failed to lead any lasting support to the contract, which closed at 104.22, compared with 104.27 previously.

LONDON

Table with columns: Three-month Sterling Deposit, Three-month Eurodollar, Three-month Sterling Deposit, Three-month Eurodollar. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

U.S. TREASURY BONDS

Table with columns: U.S. Treasury Bonds, U.S. Treasury Bonds. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

CHICAGO

Table with columns: U.S. Treasury Bonds, U.S. Treasury Bonds. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

DEUTSCHE MARKS

Table with columns: Deutsche Marks, Deutsche Marks. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

JAPANESE YEN

Table with columns: Japanese Yen, Japanese Yen. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

FINANCIAL FUTURES

port to the contract, which closed at 104.22, compared with 104.27 previously. Three-month sterling deposits for September were firm on the cut in base rates. After opening at 88.89, almost the low of the day, the contract finished at the day's peak of 89.14, against 88.81 on Tuesday. Sentiment was helped by the general easing of money market interest rates, and by the pound's improvement on the foreign exchanges. Eurodollars also finished firm following gains in the corresponding Chicago contract. Trading was helped by an easing of the Federal funds rate in New York, and by a good reception of the U.S. Treasury's three-year note auction Tuesday.

U.S. TREASURY BONDS

Table with columns: U.S. Treasury Bonds, U.S. Treasury Bonds. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

CHICAGO

Table with columns: U.S. Treasury Bonds, U.S. Treasury Bonds. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

DEUTSCHE MARKS

Table with columns: Deutsche Marks, Deutsche Marks. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

JAPANESE YEN

Table with columns: Japanese Yen, Japanese Yen. Rows include Sept, Oct, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug.

Company Notices

NIPPON CHEMICAL CONDENSER CO. LTD. (CPHs) Referring to the advertisement in this paper of 22nd June, 1984 the undersigned announces that the distribution of shares from 15% free distribution...

RAMON'S NIGHTCLUB RESTAURANT, 45, Dean Street, W1. Where today's businessmen can relax and enjoy an exciting evening. Various cabaret acts throughout. Opening and closing times: 9 pm to 3 am. 01-437 9455.

CLASSIFIED ADVERTISEMENT RATES

Table with columns: Commercial & Industrial, Residential Property, Appointments, Business, Investment, Personal, Motor Cars, Hotels & Travel, Contracts & Tenders, Book Publishers. Rows include Per line, Per column, Per line, Per column, Per line, Per column.

CAREER FUTURES COMMODITY/LIFE RECRUITMENT Jonathan Wren Please contact: Michael Hutchings 01 623 1266

WestLB Eurobonds · DM Bonds · Schuldscheine for dealing prices call

DÜSSELDORF Westdeutsche Landesbank, Head Office, P.O. Box 1128, 4000 Düsseldorf 1 International Bond Trading and Placement: Telephone 0 21 3122-6/26 37-1 Telex 5 581 887/8 581 882

London Westdeutsche Landesbank, 41, Moorgate, London EC2R 6AE/UK Telephone 638 6141 · Telex 887 984

Luxembourg WestLB International S.A., 32-34, boulevard Grand-Duchesse Charlotte, Luxembourg, Telephone 44 74-143 · Telex 16 78

Hong Kong Westdeutsche Landesbank, 28 Tower, 36th Floor, 12 Harbour Road, Hong Kong, Telephone 5-6420 288 · Telex 75142 HK

TSB BANK The DIY magazine for the money enthusiast

Base Rate With effect from Thursday 9th August, 1984 and until further notice TSB Base Rate will be 11.5% p.a.

Trustee Savings Banks Central Board, PO Box 33, 25 Milk Street, London EC2V 8LU.

Barclays Bank Interest Rates. BASE RATE Barclays Bank PLC and Barclays Bank International Limited announce that with effect from the close of business on 9th August 1984, their Base Rate will be decreased from 12% to 11 1/2%. This new rate also applies to Barclays Bank Trust Company Limited. RATES FOR SAVERS Bonus Savings and Payplan Accounts. Interest paid is decreased from 10% to 9 1/2% per annum. Ordinary Deposit Accounts. Interest paid is decreased from 9% to 8 1/2% per annum.

The Royal Bank of Scotland Base Rate The Royal Bank of Scotland plc announces that with effect from close of business on 9th August 1984 its Base Rate for lending is being decreased from 12 per cent per annum to 11 1/2 per cent per annum.

INTERNATIONAL CAPITAL MARKETS

WORLD STOCK MARKETS

Texaco heads issue bonanza

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

TEXACO launched a \$300m, 12% per cent Eurobond yesterday as the dollar sector of the international bond markets was flooded with more than \$790m worth of new paper. The new issue bonanza came on the back of renewed confidence in the New York bond market. Secondary market prices of fixed rate Eurobonds rose by around 40 points on buying demand from both professional dealers and retail investors. But despite the cheerful mood the Texaco issue got off to a relatively slow start. The company has been a heavy issuer of Eurobonds recently and at \$300m this is believed to be the largest fixed rate issue seen in the dollar sector of the Eurobond market this year. Led by Morgan Stanley the issue has a three year life and is priced at 100%.

D-MARK NEW ISSUES CALENDAR table with columns: Date, Borrower, Amount DM (m), Lead Manager

100%. Simultaneously Texaco issued 300,000 warrants to purchase an eight-year bond with the same coupon at any time over the next three years. The warrants, which were priced at \$17, were better received than the bonds themselves, trading up to \$18.50 yesterday afternoon. But the bond traded at a discount around its total fees of 1% per cent. With the dollar trading close to its recent highs warrants offer investors the chance to lock into today's high yields without taking much exchange risk. This idea was also behind the launch by Goldman Sachs yesterday of a series of 500,000 warrants to buy the forthcoming U.S. Treasury 30-year bond. The series comprises a tranche of 200,000 warrants priced at \$38.50 to buy the paper at the average auction price and one of 300,000 priced at \$22 with an exercise price \$40 higher.

Yesterday also saw the launch of a new DM 900m calendar of issues in the German market. The amount is slightly larger than the DM 700m absorbed during the month just over but bankers said it should be fairly easy to place. Some were disappointed that the list carries only rather dull names. Other potential issuers are believed to be holding back from the German market because of uncertainty over withholding tax.

Outside the calendar Dresdner Bank launched a DM 250m Eurobond with warrants to buy its shares. The bond was launched simultaneously with a \$250m floating rate note, also bearing warrants.

The eight-year D-Mark issue bears a coupon of 8 per cent over eight years and issue price of 115. The dollar issue, also for eight years, bears interest at a margin of 1/4 per cent over the mean of the bid and offered rates for six-month Eurodollar deposits in London (Limean). The warrants on both bonds carry an exercise price of DM 150 compared with yesterday's price of DM 152.

Other new Euro-issues included a \$75m floating rate note for Christiana Bank led by Credit Suisse First Boston and Christiana Bank itself. The 10-year bonds which bear interest at a margin of 1/4 per cent above Limean were readily absorbed. This suggests that there is demand for this type of conventional floating rate instead of those with a weekly interest fixing feature that have predominated recently.

Bank Leu is raising \$40m through a bond with equity warrants led by UBS (Securities). Terms are to be fixed on Friday but the issue carries an indicated coupon of 7% to 8 per cent. Nippon Kogaku, the Japanese camera maker, is raising \$50m through a convertible issue with an indicated coupon of 4 per cent led by Nikko Securities and Mitsubishi Finance.

Foreign issues on the Swiss market shed about 1/4 point yesterday. The SwFr 100m, eight-year issue for Shikoku Electric Power has been awarded a 5% per cent coupon as indicated by lead manager UBS.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for August 8.

Table of international bond issues with columns: U.S. Dollar, Issued, Bid, Offer, Change, Yield

Table of international bond issues with columns: DEUTSCHE MARK, Issued, Bid, Offer, Change, Yield

Table of international bond issues with columns: SWISS FRANC, Issued, Bid, Offer, Change, Yield

OVER-THE-COUNTER

Continued from Page 26

Table of over-the-counter stock prices with columns: Stock, Sales, High, Low, Last, Chng

Table of over-the-counter stock prices with columns: Stock, Sales, High, Low, Last, Chng

Indices

Table of stock indices with columns: Index, Aug 8, Aug 7, Aug 6, Aug 5, High, Low

Table of stock indices with columns: Index, Aug 8, Aug 7, Aug 6, Aug 5, High, Low

OVER-THE-COUNTER

Continued from Page 26

Table of over-the-counter stock prices with columns: Stock, Sales, High, Low, Last, Chng

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OVER-THE-COUNTER

Continued from Page 26

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Base values of all indices are 100 except Australia All Ordinaries and Metals and Metals-1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. Excluding bonds: 1 400 Industrials, 2 400 Industrials plus 40 Utilities, 30 Financials and 20 Transports. c Closed, u Unavailable.

Going to Canada? Fly Air Canada Intercontinental First or Executive classes and it's comfort all the way. At Heathrow you can enjoy the peace and freedom of Air Canada's Maple Leaf Lounge. In the air you can relax in the biggest seats you can find on scheduled flights. The service is unbeatable too. For details of Air Canada's Intercontinental First and Executive Class services to 8 Canadian cities, see your travel agent or ring Air Canada on: 01-759 2636, 021-643 9607, 041-332 1511 or 061-236 9111.